

**The Role of Tourism in Poverty Reduction: A Case Study  
of Siem Reap-Angkor Region,  
Cambodia**

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## **ABSTRACT**

Cambodian tourism has grown dramatically for the last two decades. This trend encourages the Cambodian government to adopt tourism as a strategy for poverty reduction and economic development. However, the potential of tourism in alleviating poverty has not been investigated in detail. Therefore, the aim of the study is to understand whether and how tourism growth has contributed to poverty alleviation in the Siem Reap-Angkor region. The study examines the interrelationship between tourism and poverty reduction by exploring opportunities and constraints of local people in the tourism value chain (TVC).

A qualitative case study approach was applied to this research. Siem Reap town – where the poverty rate is still high although tourism has grown for two decades – was selected as the case study area. Data was collected through interviews, focus group discussions, observations and informal conversations with key informants and local residents involved in various TVCs. Narrative analysis was used to retell and rewrite their stories, and present their perceptions and personal experiences about their livelihoods and employment. TVC analysis was applied to examine relevant economic activities linking to tourism, and identify constraints and opportunities of local residents to participate in tourism employment and businesses.

Tourism growth has provided job and business opportunities to the locals and migrants in TVC: agriculture, transportation, accommodation, leisure activities, food and beverages and handicraft and souvenirs. This study explored constraints and opportunities of locals and migrants involved in TVC. In the agriculture value chain, constraints experienced by farmers in servicing the tourism market were identified. Although farmers faced critical constraints to produce and supply produce to tourism market, some of their family members produced handicrafts or got tourism related jobs, which have enabled them to earn additional income. In the transportation and accommodation sectors, tourism linkage opportunities, constraints and the history of conflicting interests were examined. Entertainment and service linkage opportunities and constraints were explored and stories of those who are involved in this value chain are presented. In the food and beverage sector, the involvement of local residents and

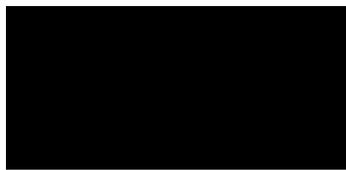
several business opportunities resulting from tourism growth are presented. Handicraft and tourism linkage opportunities and constraints in producing and selling handicraft products were also examined.

Tourism development enabled locals and migrants to become involved in transportation and accommodation, but conflicts and exploitation have reduced the opportunities these value chains could have provided and have led to reduction their incomes. Those employed by tour companies as tourist guides and in leisure activities were able to lift their households out of poverty. Locals involved in small and medium scale businesses in the food and beverage value chain can gain economic benefits from tourism. Analysis of the data in the value chains indicated that the potential of tourism to alleviate poverty was reduced by critical constraints limiting local people's participation in employment and business creation and in the goods and service supply chains. Most villagers in the study communes perceived that they were not the beneficiaries of tourism growth. A significant contribution of this study is the presentation and integration of Cambodians' experiences, perspectives, perceptions and their livelihoods' stories into tourism analysis, which has not been done in Cambodia previously. This study has enriched the literature on tourism and poverty in developing countries.

## STUDENT DECLARATION

I, Nara Mao declare that the PhD thesis entitled “*The Role of Tourism in Poverty Reduction: A Case Study of the Siem Reap-Angkor Region, Cambodia*” is no more than 100,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signature:



Date: 27 August 2015

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Doing the PhD study, I experienced big challenges. Although I had a research plan and aim, I sometimes felt I was on the surface of the ocean and did not know where to go. However, I have got tremendous support, inspiration, motivation, encouragement and advice from generous people. I express my greatest respect, appreciation, and deepest gratitude to their dedication.

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This thesis is dedicated to my late parents:

Pho MAO (Unknown - 1977)

Hoky TAN (Unknown - 1977)

## LIST OF PUBLICATIONS

Publications resulted from this thesis including:

### **Journal articles (Published):**

Mao, N., Grunfeld, H., DeLacy, T., & Chandler, D. (2014). Agriculture and tourism linkage constraints in the Siem Reap-Angkor region of Cambodia. *Tourism Geographies*, 16(4), 669-686.

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### **Conference paper**

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## LIST OF ACRONYMS

AAP	Angkor Archeological Park
AC	Arbitration Council
ACILS	American Center for International Labor Solidarity
ADB	Asian Development Bank
APSARA	Autorité Pour la Protection du Sites et l'Aménagement de la Région d'Angkor
CATA	Cambodia Association of Travel Agents
CEFP	Chantiers-Ecoles de Formation Professionnelle
CMP	Cambodian Ministry of Planning
CMT	Cambodian Ministry of Tourism
DFID	UK Department for International Development
GHF	Global Heritage Fund
ICRT	International Centre for Responsible Tourism
IIED	International Institute for Environment and Development
IRI	International Republican Institute(
MDG	Millennium Development Goal
MPI	Multidimensional Poverty Index
NCDD	National Committee for Sub-National Democratic Development
NIS	National Institute of Statistics
ODI	Overseas Development Institute
SNV	Netherlands Development Organisation
NSDP	National Strategic Development Plan
PPT	Pro-Poor Tourism
RGC	Royal Government of Cambodia
SRPDLVT	Siem Reap Provincial Department of Labor and Vocational Training
SRPDP	Siem Reap Provincial Department of Planning
SRPDT	Siem Reap Provincial Department of Tourism
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organisation
TBA	Tourism Boat Association
WSSD	World Summit on Social Development
WMF	World Monuments Fund

## CHAPTER 1: INTRODUCTION

“Cambodia, like many other developing countries, is seeking to expand its tourism sector. Tourism is widely regarded as an activity that alleviates poverty, but circumstances that bring this about and the extent to which poverty is reduced, have not been studied in detail as they deserve to be.”

Dwyer and Thomas (2012, p. 324)

Some people have asked why I am motivated to do research in the Siem Reap-Angkor region and the rationale for doing so. Three main factors have motivated my research. Firstly, no research articles on tourism and poverty reduction in this region have been published in academic journals. Secondly, although tourism has been developed in this region since 1994, local people cannot escape poverty. The percentage of poor households in the Angkor complex and on the periphery of this heritage site is higher compared to other villages (CMP, 2012, 2014). Finally, I am a Siem Reap-born Cambodian citizen, having a strong attachment to the Angkor Archeological Park and host communities. Therefore, I have an obligation to use my abilities and resources to benefit the local population, contribute to my hometown development and to the conservation of this cultural heritage site.

I was a primary, junior high school and high school teacher in Siem Reap city before I was transferred to work for the university in Phnom Penh capital in 1993. In the 1980s, with colleagues, I often brought students to clear vegetation in the park and use landfill for temple foundations. During that time, there were only a few foreign visitors and most were foreign government officials. Thus the Angkor complex was a quiet place. However, an influx of tourists arrived in 1994. As a result, tourism has changed the historic town landscape. The city is growing rapidly due to the construction of hotels and other buildings. Throughout Siem Reap town, historical buildings have been sold or demolished in order to make way for tourism development. However, although the city has become the most popular tourist site, Siem Reap is still one of the poorest provinces in Cambodia (Beresford, Nguon, Roy, Sau, & Namazie, 2004; CMP, 2012,2014 ; World Bank, 2006). Although I work in the capital, my heart and soul are attached to my hometown, and the ancient temples. Thus, I often visited on public holidays, talking

with my friends and local people about the impact of tourism on this region. It is argued that tourism contributes to local economic growth (Richardson, 2010), livelihoods and poverty alleviation (Mitchell & Ashley, 2010). However, local residents in the Angkor complex and those living on the periphery claimed they were still trapped in poverty. Furthermore, most villagers I spoke with told me they are not the beneficiaries of tourism growth. This situation influenced my decision to research the problems and obstacles preventing villagers from overcoming poverty, and further, informing the public and policy makers about these issues for their consideration. Therefore, I wrote and submitted my PhD research proposal to Victoria University and the Australian government to obtain support to conduct research to investigate whether or not tourism growth contributes to livelihood improvement and poverty alleviation of local communities, as well as to make the voices of local people heard. My PhD journey started in 2011 after my principal supervisor agreed to supervise me and the Australian government sponsored this project. Without their support, my dream to do PhD research in Siem Reap would never have come to fruition.

### **1.1. Research aim**

The overall aim of the thesis is to understand whether and how tourism can contribute to poverty alleviation in the Siem Reap-Angkor region of Cambodia. The study examines the current tourism situation and the livelihood, socioeconomics and poverty of local communities. It also investigates opportunities and constraints of local communities to gain economic benefits from the tourism industry and their involvement in tourism value chains. This research will endeavour to understand the perceptions and attitudes of local residents, and other stakeholders toward tourism in this area, as it is assumed these perceptions will foster opportunities for local communities to benefit from tourism.

### **1.2. Background**

#### 1.2.1. Tourism as a global industry

Tourism is a rapidly growing international industry, considered by many authors to be an effective tool to accelerate economic growth (Dritsakis, 2004; Durbarry, 2004; Ekanayake & Long, 2012; Holzner, 2011; Kim, Chen, & Jang, 2006; Kreishan, 2010;

Lee & Chang, 2008; Oh, 2005; Schubert, Brida, & Risso, 2011; Vanegas & Croes, 2003; Zhou, Yanagida, Chakravorty, & Leung, 1997), to preserve natural resources (Carbone, 2005; Mowforth & Munt, 2003; Nelson, 2012; Ray, Das, Sengupta, & Ghosh, 2012; UNWTO, 2010b) and local culture (Akama & Kieti, 2007; Carbone, 2005; Honey, Vargas, & Durham, 2010; Ong & Smith, 2014; UNCTAD, 2010) and to assist in alleviating poverty (Ashley & Mitchell, 2008; Harrison, 2008; Lapeyre, 2011; Lepper & Goebel, 2010; Nguyen & Nguyen, 2013; Richardson, 2010; Sofield, Bauer, De Lacy, Lipman, & Daugherty, 2004) in less developed countries.

According to UNWTO (2013), over the past six decades, tourism has become one of the largest economic sectors. International tourist arrivals have increased from 25 million in 1950, to 1,035 million in 2012. International tourism receipts reached USD 1,075 billion in 2012. Tourist expenditure on local transport, accommodation, food and beverages, entertainment and shopping is a key contributor to the economic growth of many tourist destinations, creating employment and business opportunities for local development (UNWTO, 2013). In 90 countries, including Cambodia, receipts from international tourism exceeded USD 1 billion per country in 2012 (UNWTO, 2013). South-East Asia constituted the highest growth, led by Myanmar (52%), followed by Cambodia (24%), Thailand (16%) and Vietnam (14%) (UNWTO, 2013).

The Royal Government of Cambodia (RGC) has adopted tourism as a strategy for poverty reduction on the basis that tourism is one of Cambodia's main opportunities for rebuilding its economy. According to the CMT, the number of tourists has increased significantly since 1994, and this government agency has adopted a more conscious policy of promoting sustainable and equitable tourism as a means to national poverty reduction (CMT, 2012). The government also estimates that the number of international tourists is expected to increase to 7 million in 2020, contributing to tourism-related revenue, local livelihood improvements, and poverty alleviation through income generation (e.g. by providing more jobs for Cambodians).

### 1.2.2. Poverty as a global, dangerous chronic disease

“Eradicate extreme poverty and hunger” is the Millennium Development Goal (MDG) number one priority and since the adoption of these goals at the Millennium Summit in 2000, this has become the focus of development strategies by the United Nations, donor

agencies, development institutions, and governments. According to the FAO (2009), 1.02 billion people were undernourished worldwide. In 2009, FAO Director-General, Jacques Diouf warned:

A dangerous mix of the global economic slowdown, combined with the stubbornly high food prices in many countries, has pushed some 100 million more people than last year into chronic hunger and poverty. The silent hunger crisis—affecting one-sixth of all humanity—poses a serious risk for world peace and security. We urgently need to...take the necessary actions (FAO, 2009, n.p.).

This warning reminds us of the speech by Nelson Mandela in 2005, when this freedom fighter said “like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings” (BBC, 2005; Bolwell & Weinz, 2008). Moreover, Scheyvens (2011, pp. 46-47) expressed the view that

Poverty will never be solved simply by transferring economic resources from richer to poorer states...The solution to poverty requires nothing less than solid political commitment to prioritizing the needs, rights and wellbeing of the poor along with transformation of inequitable structures that constrain them.

What are the effective medicines to cure this chronic disease? Tourism may be one of the best options to address this problem.

### 1.2.3. Tourism as an effective tool for poverty alleviation

Tourism can be a powerful weapon in the battle against poverty in tourist destinations. Many international and national institutions have increasingly promoted tourism as a mechanism for economic development and poverty reduction (Mitchell & Ashley, 2010). The UNWTO considers tourism to be an effective tool for poverty reduction because it offers opportunities for locals to sell products and services, creates local economic diversification, promotes gender equality, provides more job opportunities to local communities, especially women, and accelerates local economic growth (UNWTO, 2002a). The UNWTO New Year message for 2007 stated that this “should be a year to consolidate tourism as a key agent in the fight against poverty and a primary tool for sustainable development” (UNWTO, 2007, n.p.).

In the case of Cambodia, in an Open Letter on Travel and Tourism (UNWTO, 2013), the Cambodian Prime Minister claimed that:

In spite of the worldwide economic crisis, Cambodia enjoys continuous tourism growth...Tourism development has been taken by the Royal Government of Cambodia as a priority for the sustainable development of our cultural and natural heritage sites (n.p.).

This message was echoed by the UNWTO Secretary-General, who said that:

Cambodia's impressive tourism achievement over the last decade is a true success story... Cambodia continues to draw tourists from all over the world and we are very happy to see the country placing tourism as a priority in their development agenda (n.p.).

However, the potential of tourism for poverty reduction has not been extensively addressed in the development literature (Baker, 2008), and further, this field of study is under-researched in South-East Asia, in general, and Cambodia, in particular. Mitchell and Ashley (2010) point out that the literature about the economic effects of tourism on the poor is limited, and only a few researchers are investigating all the possible effects of tourism development on local communities (Mitchell, 2012). Tourism is identified as an effective tool for poverty alleviation, but "a substantial barrier to the formulation of appropriate policies to increase the pro-poor benefits of Cambodia arises from the limited data available in poor countries generally" (Dwyer & Thomas, 2012, p. 303).

The reason for examining tourism's role in poverty reduction also derives from the fact that some developing countries, including Cambodia, have large or potentially large tourist markets (Blake, Arbache, Sinclair, & Teles, 2008). According to Zhao and Ritchie (2007, p. 119), "relevant tourism research to date is fragmented, limited in scope, and lacks a consistent methodological development". These authors have developed an integrated framework for anti-poverty tourism research and critiqued the Tourism Satellite Account (TSA) developed by UNWTO on the grounds that it assesses only tourism's contribution to the macro economy, rather than to the poor. This claim was echoed by Mitchell (2012, p. 463) who claimed that "much of the effort invested by tourism researchers on Tourism Satellite Accounts and Master Plans, is not moving us significantly closer to our goal of understanding tourism destination impacts on low-income households." Mitchell and Ashley (2010) argued that tourism should be considered as an agent of change in the daily livelihoods of poor people, local economies and as one weapon which can be used in the global war against poverty. These authors assert that although tourism is not a panacea for poverty alleviation in developing and less developed countries, it can play a significant role in reducing poverty in particular tourist destinations. Furthermore, it has been argued that tourism is

an excellent tool for alleviating poverty (Mitchell & Ashley, 2010) and this study will test this proposition.

### **1.3. Research objectives and research questions**

#### 1.3.1. Research objectives

The overall objective of this study is to identify the contribution of tourism to poverty reduction in the Siem Reap-Angkor region. It examines the Cambodian tourism situation, the socioeconomics and poverty of local communities. It seeks to understand the obstacles preventing the participation of the local people in the tourism value chain, the perceptions and attitudes of local residents and other stakeholders toward tourism and poverty reduction and identifies how tourism affects the livelihoods of local people. It also assesses local residents' perceptions of how their livelihoods have been influenced by tourism growth.

The specific objectives are to:

- examine both the local community and tourism situations in the Siem Reap-Angkor region;
- identify opportunities for and constraints facing local residents to gain economic benefits from tourism; and
- identify how tourism affects the livelihoods and poverty of local communities.

#### 1.3.2. Research questions

The principle research questions for this thesis are:

- How and to what extent does tourism in the Siem Reap-Angkor region contribute to poverty alleviation?
- What are the perceptions and attitudes of local residents and other stakeholders to local livelihood improvement and poverty reduction issues resulting from tourism development?

To answer these questions, this study seeks to answer the following eight subsidiary questions:

1. What is the current tourism situation in the study area?
2. Who are the beneficiaries and victims of tourism growth?

3. Does tourism's revenue contribute fairly to local population?
4. What are the current livelihoods, socioeconomics and poverty levels of host communities?
5. What are the constraints faced by local farmers to supply produce to the tourism market?
6. What are the opportunities for and constraints on local residents to participate in the tourism value chain in order to gain economic benefits from tourism?
7. To what extent has the local community gained benefits from tourism?
8. Has tourism growth in the Siem Reap-Angkor region alleviated the local community's poverty in study communes?

#### **1.4. Rationale and significance of study**

##### 1.4.1. Rationale

Although rapid tourism growth in the Siem Reap-Angkor region is transforming the livelihoods of some local residents, poverty remains a serious problem throughout communes located on the periphery of the Angkor complex. Due to chronic poverty in the Siem Reap province, consideration of how tourism development can alleviate poverty has become the focal theme of RGC agencies, international communities and private companies, as well as non-government organisations (NGOs). Notwithstanding the many activities aimed at reducing poverty, improving living standards of local people and conserving cultural heritage, more up-to-date information, especially local communities' perceptions, is needed to formulate policies to address these issues. Understanding how tourism has affected socioeconomics, poverty and livelihoods of local communities, and how local communities perceive these changes, is important for planning and implementing future development projects in this area in ways that will benefit local communities, thereby contributing to poverty reduction. The findings may also assist in policy formulation at a national level, as well as for international donor communities, NGOs and the private sector involved in tourism in this area.

Moreover, examining the evolution of pro-poor tourism (PPT) research from 1999 to 2013, using 122 PPT academic articles by applying the content analysis method, Truong (2014b) found that the majority of PPT research has been conducted in Africa while Southeast Asia captured limited attention. There were only six academic articles in

China, four in Laos, two in Vietnam, two in Thailand, two in Fiji, two in Vanuatu and unfortunately none in Cambodia. This finding was confirmed by other scholars who revealed that little study attention has been given to this region (Scott, 2011; Truong, 2013), where 17% of its population is trapped in poverty (United Nations, 2012). Moreover, although there are many research reports and papers indicating the linkages between tourism and poverty, few in-depth studies have been done to examine the complexity of these interrelationships (Truong, 2014a). Since the adoption of tourism as an effective tool for poverty reduction, there has been controversial argument about the extent to which this industry has contributed to poverty alleviation in developing countries (Croes, 2014b). There is insufficient research focusing on local poor households, case studies and anthropological analysis to assess the tourism contribution to poverty reduction (Zeng & Ryan, 2012). Therefore, this claim is one catalyst motivating me to undertake research in the Siem Reap-Angkor region, Cambodia.

Furthermore, while most studies in developing countries were conducted by outside researchers and they relied upon the etic perspective, this study was based on the emic paradigm because its result was analysed and interpreted from the inside researcher.

#### 1.4.2. Statement of significance

The potential of tourism for poverty reduction has been recognised by the UNWTO, academics, donors, development agencies, policy makers plus some governments in developed and developing countries and other stakeholders. The study will be of direct benefit to Cambodia as one of its outcomes is to propose strategies for how tourism can be utilised for poverty reduction, which is one of Cambodia's core MDGs. The study is in line with the RGC's objectives to develop tourism with the aim of improving local livelihoods as well as alleviating poverty of local communities.

In addition to being useful for the local community of Siem Reap, provincial authorities and the RGC, the study had more general applicability for understanding the relationship between tourism and poverty. Although it was not possible to generalise from the findings, the study may be useful for policy makers and practitioners in assessing whether and how particular tourism-related policies and activities contribute to poverty reduction. The result of this study is a basic statement of tourism's

contribution to household livelihoods and poverty alleviation of local communities that have resulted from the rapid growth of tourism in this region.

Moreover, this study contributes empirical knowledge aimed at understanding whether and how tourism has contributed to poverty reduction in the Siem Reap-Angkor region. All components of the tourism value chain are investigated in-depth and those who are involved in each component and stakeholders were given opportunities to voice their views and express their perceptions. The unique contribution of this study is that the real stories of local residents involved in tourism employment, enterprises and related tourism businesses are presented in detail.

### **1.5. Limitations and scope of the study**

Although this study seeks to examine the impacts of tourism on poverty reduction, it focuses mainly on local residents' perceptions of the socioeconomic aspects, livelihood and poverty issues in the Siem Reap-Angkor region. Only selected villagers of three communes on the periphery of the Angkor complex, those who are involved in the tourism value chain and key informants were asked to voice their opinions and express their perceptions – optimistic and pessimistic – related to the contribution of this sector to poverty reduction in their villages, based on their experiences, observations, expectations and understanding.

This research relies mainly on primary data, collected by the researcher during March to May 2012, through semi-structured interviews with stakeholders in the tourism sector, village chiefs and government officials, in-depth interviews with local residents involved in tourism value chain, informal conversation with villagers in three communes and three group discussions from 14 November 2012 to 31st January 2013 plus in-depth interviews with key informants during October to December 2013. This is supported by secondary data, such as tourism statistics, poverty figures, and socioeconomic information of study communes and other official documents, which have been reviewed in order to provide insights into tourism impacts at commune, provincial and national levels. However, due to time constraints and funding limitations, this study examines how tourism has contributed to poverty reduction at the household and micro level only.

## **1.6. Study location**

The Siem Reap-Angkor region, which is famous for its archaeology, history and culture, including ancient temples dating from the eighth to thirteenth centuries, was selected for this research project. Despite being a major tourist destination, because of the rapid growing number of international visitors since 1994, Siem Reap is still one of the poorest provinces in Cambodia (Beresford et al., 2004; CMP, 2012, 2014; World Bank, 2006). This is the main reason for conducting the study in this province. Three communes (i.e. Nokor Thum, Chreav, and Krobei Rield), the subject of detailed studies, are located on the periphery of the Angkor complex and close to Siem Reap town. They were purposively chosen for investigation of the contribution of tourism on local community poverty and livelihoods, as they are the communes in closest proximity to the temple complex. More detail on this research location is included in chapter 5.

## **1.7. Structure of thesis**

This thesis focused on the contribution of tourism to poverty reduction and socioeconomic development at a local and micro level, investigating this contribution from the perceptions of the local people and other stakeholders. It aims to investigate how and to what extent tourism growth in the Siem Reap-Angkor region contributed to poverty reduction and socioeconomic development of the local population. Therefore, this thesis is divided into thirteen chapters.

### *Chapter 1: Introduction*

This chapter sets the scene for the study. It outlines the key issue of tourism and poverty, presents the research objectives and outlines the research questions, explains the rationale for and significance of the study and finally, the scope and limitations of the study, introducing the study areas. It also includes thesis structure and research scheme.

### *Chapter 2: Literature review*

This chapter discusses the literature reviewed for this study, focusing on tourism, poverty, tourism's contribution to economy, pro-poor tourism, the impacts of tourism

on poverty and on local people's livelihoods. And especially the contribution of tourism to poverty reduction, according to other researchers' findings, is analysed.

### *Chapter 3: Research methodology and methods*

This chapter describes the overall methodological philosophy and approach that guides this study, the reasons for applying this approach, research methods, including data collection techniques, sampling methods and data analysis, and the experiences encountered during data collection including specifics (e.g. which people were interviewed).

### *Chapter 4: Cambodian tourism and tourism development in the Siem Reap-Angkor region*

This chapter discusses Cambodian tourism and trends, the contribution of tourism to the Cambodian economy, the government's commitment of tourism benefit sharing and economic leakage, and the perceptions of stakeholders toward tourism's contribution to poverty reduction, tourism benefit sharing and inequality. It also reviews government tourism policy and strategy, government's commitment and determination to conserve cultural heritage and improve the livelihoods of the local population, and the reactions of the local community to policy implementation in the Angkor Archaeological Park.

### *Chapter 5: Local community: socioeconomics, livelihoods and poverty*

This chapter profiles the study area in terms of general characteristics, demographics, socioeconomics, livelihoods, business trends and poverty trends of host communities and their perceptions toward these aspects.

### *Chapter 6: Agriculture-tourism linkage constraints*

This chapter presents the agriculture situation in the study communes, discusses the significance of agriculture-tourism linkages, factors constraining these linkages, barriers faced by local farmers in supplying agricultural products to restaurants and hotels, and what should be done to strengthen agriculture-tourism linkages.

### *Chapter 7: Local community participation in transport value chain*

This chapter deals with the transport value chain, exploring transportation and tourism linkage opportunities and constraints in terms of providing income sources for local residents and migrants from other provinces, and also traces the history of conflicting interests in the transportation sector between local communities, private companies and authorities.

### *Chapter 8: Local community participation in accommodation value chain*

This chapter deals with the accommodation value chain, exploring accommodation and tourism linkage opportunities and constraints in terms of this sector's contribution to poverty reduction, and also covers the history of industrial conflicts in the hotel sector, leading to economic losses to both parties and damage to hotel reputation.

### *Chapter 9: Local community participation in entertainment and service value chain*

This chapter deals with the entertainment and service value chain in Siem Reap city and other related tourism employment in the Angkor archeological park. Entertainment and service linkage opportunities and constraints are explored and stories of those who are involved in this value chain are presented.

### *Chapter 10: Local community participation in food and beverage value chain*

This chapter deals with the food and beverage sector by exploring the involvement of local residents in this value chain. It describes several cases of business and employment opportunities for the local residents resulting from tourism growth. It also presents constraints preventing those from poor family backgrounds participating in this value chain.

### *Chapter 11: Local community participation in handicrafts and souvenirs value chain*

This chapter discusses the handicraft and souvenir value chain and explores handicraft and tourism linkage opportunities and constraints in producing and selling handicraft products. It also presents some cases of handicraft producers, the capacity building project and silk production project supporting the local population to be involved with the handicraft value chain.

### *Chapter 12: Understanding tourism contribution to poverty reduction*

This chapter discusses how and to what extent tourism growth in the Siem Reap-Angkor region contributes to poverty alleviation of local communities. It discusses the findings in Chapters 4 to 11 in relation to the literature in Chapter 2. A framework for this discussion consists of local people's employment, their ability to supply goods and services to tourists and benefits received from tourism growth. Finally, the chapter concludes with how tourism growth has contributed to poverty reduction of the three study communes or not.

### *Chapter 13: Conclusion*

This chapter summarises the findings in Chapters 4 to 11 in relation to the tourism value chain analysis and the research objectives outlined. The contributions of this study are outlined and future research is suggested.

**Table 1.1: Research scheme**

<b>Objectives &amp; thesis chapter</b>	<b>Sub-research questions</b>	<b>Key variables/themes</b>	<b>Research participants, data sources &amp; data</b>	<b>Data collection methods &amp; data analysis</b>
1. Examine both the local community and tourism situations in the Siem Reap-Angkor region  (Chapters 4 & 5)	1. What is the current tourism situation in the study area? 2. Who are the beneficiaries and victims of tourism growth? 3. Does tourism's revenue contribute fairly to local population? 4. What are the current livelihoods, socioeconomics & poverty of local people?	1. Tourism trends 2. Perceptions of locals & other stakeholders toward tourism growth and its impacts 3. Demographic aspects 4. Socioeconomic aspects 5. Local people's livelihoods 6. Local people's poverty	Research participants - key informants - local residents  Data sources & data - government agencies - official documents - primary & secondary data	Data collection methods - office visits - communication by e-mail/ phone to get soft copy - observation - informal conversation - face-to-face interviews - phone interviews Data analysis - secondary data analysis - narrative analysis
2. Identify opportunities and constraints facing local residents to gain economic benefits from tourism  (Chapters 6 to 11)	5. What are the constraints faced by local farmers to supply produce to the tourism market? 6. What are the opportunities and constraints for local residents to participate in the tourism value chain to gain economic benefits from tourism?	1. Agriculture 2. Tourism value chain a. Transportation b. Accommodation c. Entertainment d. Food & beverages e. Handicraft & souvenirs 3. Constraints & opportunities 4. Backward and forward linkages	Research participants - key informants - local residents  Data sources & data - local newspapers - mass media - official documents - primary & secondary data	Data collection methods - observation - informal conversation - face-to-face interviews - phone interviews - group discussions  Data analysis - narrative analysis - value chain analysis
3. Identify how tourism affects the livelihoods and poverty of local communities  (Chapters 12 & 13)	7. To what extent has the local community gained benefits from tourism?  8. Has tourism growth in the Siem Reap-Angkor region alleviated the local community's poverty?	1. Local residents' employment in tourism enterprises 2. Local residents' capacity to supply goods and services to tourists 3. Local residents' benefit from tourism growth? 4. Tourism growth alleviates poverty in study communes?	Data sources & data - findings of objectives 1 & 2 (Chapters 4 to 11) - literature - primary & secondary data	Data analysis Discuss findings with literature and make conclusions

## CHAPTER 2: LITERATURE REVIEW

“As in other areas of life, it is wise to find out what others have already learned about an issue before you address it on your own...Doing a literature review builds on the idea that knowledge accumulates and what we can learn from and build on what others have done...One study is just a tiny part of the overall process of creating knowledge. Today’s studies build on those of yesterday.”

Neuman (2011, p. 124)

### 2.1. Introduction

The purpose of this chapter is to review a selection of the existing relevant literature on tourism, poverty and the contribution of tourism to poverty reduction. This review will determine the most appropriate approach to analyse the linkage between tourism and poverty in the Siem Reap-Angkor region. Although this review examines research carried out in developed as well as developing countries, most literature focuses on developing countries because they are more relevant to Cambodia. However, this review cannot provide in-depth insights into Cambodian tourism’s contribution to poverty due to the lack of relevant studies of this nature published in academic journals.

This chapter consists of six main sections. Firstly, the review concentrates on tourism as a system, and tourism’s interaction with local economy. Secondly, it concentrates on poverty as a multidimensional problem by reviewing the evolution of poverty definitions and its conceptualisation discourse, and poverty classification and solutions proposed by scholars to address this universal problem. Thirdly, the contribution of tourism to developing country economies, tourism’s contribution to economic growth and economic leakage in the tourism sector is outlined. Fourthly, tourism’s contribution to the livelihoods of local communities including their livelihood assets and the linkages between tourism and local community livelihoods is explored. The review also covers critical discourse on this issue. Fifthly, tourism’s contribution to poverty reduction is presented including critical discourse, pro-poor tourism initiatives for eliminating poverty as well as methodologies for measuring tourism’s contribution to poverty reduction. Finally, it highlights a research gap and adopts a research approach for investigating the involvement of the local population in the tourism value chain as well as the contribution of tourism in poverty reduction.

## 2.2. Tourism

In order to understand the tourism industry and its interactions with other sectors, this section covers global tourism, explains why tourism is considered as a system, and presents its interaction with local economies.

### 2.2.1. Tourism as a global growth industry

Definitions of tourism have evolved through decades from simple to complex meanings. I adopt the UNWTO definition, because it looks beyond tourism to include related components interacting with tourism such as socio-culture, economy and the environment. The UNWTO defines tourism as “a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes” (n.p.).

Furthermore, the UNWTO describes a visitor as:

A traveler taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise (n.d., n.p.).

Tourism has become one of the largest economic sectors and it is also a main driver of socioeconomic growth through export revenue, job creation, enterprise establishment as well as infrastructure development (UNWTO, 2014). According to the UNWTO (2013), the Asia Pacific region had the highest tourism growth in 2012. This raised the region's share of global tourism to 23%, with a total 234 million arrivals. The region received US\$ 324 billion in international tourism revenue, representing 30% of the world total.

### 2.2.2. Tourism as a system

Many authors refer to tourism as a system, that is, an interconnected network of different activities (e.g. travel, accommodation, attractions and so on), institutions (e.g. airlines, hotels, travel agents, car hire firms, shops, restaurants, museums, national parks, convention centres, government departments, local tourism bureaus, industry associations and the like) and supply chains (e.g. agriculture, fishing, communication, laundry, energy, sewage, and so on) (Gunn & Var, 2002; Leiper, 2004; Mill & Morrison, 2002; Raina &

Lodha, 2004; Ritchie, 2009; Sofield et al., 2004; Weaver & Oppermann, 2000). This means that direct tourism is interrelated with many other sectors. Sofield et al. (2004) suggested that tourism is more interconnected than any other economic sector. In addition to linkages with other economic sectors, tourism is linked to political, sociocultural and physical systems (Ritchie, 2009; Weaver & Oppermann, 2000).

Leiper (2004) includes five basic elements in a tourism system: tourists, tourist-generating regions, tourist destination regions, transit routes and tourism industries. These components are embedded within a sociocultural, political, environmental, and economic context which shapes aspects of the system, starting from the visitors' desires and expectations and continuing through travel, tourism planning, policy structures and revenue flows generated by services and products in the tourism value chain (Klint, 2013). This is the reason why Sofield et al. (2004) propose the following seven components in the tourism system: visitor generating regions (demand side), destinations (supply side), transit regions (modes of transportation), support service sectors (backward and forward linkages) government agencies (tourism bureau) bio-physical environments (places that are attractive to tourists) and local communities (cultural activities).

Different sectors and stakeholders in the tourism value chain (travel agencies, tour operators, merchandisers, food & beverages, transportation, accommodation providers) play a key role within the tourism system (Weaver & Oppermann, 2000). Tourism can provide opportunities for forward and backward linkages in local economies because of tourist requirements for products and services, such as transport, accommodation, food and beverages, souvenirs and entertainment (Sharpley, 2002). Therefore, once the complex system of tourism is understood, it is easier to devise policies that can make it an effective tool for poverty alleviation and development (Sofield & Mactaggart, 2005; Sofield et al., 2004). Due to tourism's potential to bring social, cultural, environmental and economic benefits to destinations (Xu, Sofield, & Bao, 2008), it is useful to understand its interaction with these aspects.

### 2.2.3. Tourism and the local economy

Tourism is a significant driver of many local economies (Ashley, Goodwin, McNab, Scott, & Chaves, 2006; Hummel, Gujadhur, & Ritsma, 2013). Ashley et al. (2006, p. 1) claim that “although tourism is a major source of employment and a central part of the

economy, there is potential for tourism to contribute much more to the livelihoods of poor people.” Tourism development provides significant opportunities to local communities to gain benefits (Ashley, Boyd, & Goodwin, 2000; Simpson, 2008) and to improve local community livelihoods through employment, income generation as well as poverty alleviation (Sofield et al., 2004).

By contributing to infrastructure improvements, such as roads and transport, water supply, communication, and to improvements in education, health and security tourism contributes indirectly to local community livelihoods (Carbone, 2005; Mowforth & Munt, 2003; UNWTO, 2002a); tourism encourages local residents to learn foreign languages, and often provides skilled training and education so they can qualify for better paid jobs (Honey et al., 2010). According to Croes (2014a), the jobs in tourism can be of better quality than employment in other sectors, in terms of healthier, safer and more enjoyable working conditions. UNCTAD (2013, p. 12) highlights that:

Employment generation is a key to poverty reduction. As a highly labour-intensive activity, the tourism economy tends to create a high proportion of employment and career opportunities for low-skilled and semi-skilled workers, particularly for poor, female and younger workers.

### **2.3. Poverty as a universal problem**

This section presents poverty as a multidimensional problem, as this is the most appropriate approach for understanding the interaction between poverty and tourism. This section also outlines poverty classification and some solutions proposed by scholars to address poverty.

#### **2.3.1. Poverty as a multidimensional problem**

Poverty is perceived as a multidimensional problem because it includes many issues facing disadvantaged people (Blank, 2003; Bourguignon & Chakravarty, 2003; Holden, 2013; Mestrum, 2006; Misurelli & Heffernan, 2012; Mitchell & Ashley, 2010; UNDP, 2010; UNESCAP, 2005). The poor often face many problems in their lives such as sickness, illiteracy and lack of shelter, clothing and food. Croes (2014a) claims that poor households seem to be vulnerable to health, education, unemployment, crime and natural disaster such as flood, droughts, earthquakes and hurricanes. Therefore, poverty is the combination of illiteracy, poor health and no access to good medical services, lack

of employment, informal employment, multiple jobs, irregular income, lack of basic infrastructure, land tenure for housing, empowerment and personal security (Croes, 2014a).

Furthermore, because the nature of poverty is multidimensional, understanding poverty-related issues is challenging as political, sociocultural and economic forces overlap and need to be investigated (Zhao et al., 2007). For instance, the poor are often treated unfairly by state institutions and excluded from power and voice in those institutions (World Bank, 2001). Wright (1994) claims that poverty occurs when people at the top, in terms of wealth and income, unfairly benefit from the deprivation of people at the bottom. Raphael (2013, p. 8) also argues that “poverty is not a situation of people at the bottom having too little, but rather that people at the top have too much”. Therefore, poverty is also a problem of inequality. The majority of people consider poverty as “a stigmatising and shaming experience that no one wants to admit having firsthand knowledge of, but one that everyone wants to escape” (Marsh-McDonald & Schroeder, 2012, p. 2).

When considering poverty as a multidimensional problem, it is essential to understand the evolution of poverty conceptualisation because this could establish appropriate measures or strategies to address poverty (Akindola, 2009; Bourguignon & Chakravarty, 2003). The conceptualisation of poverty has been debated for decades among scholars and practitioners and financial institutions, whose arguments reflect their own perceptions, ideological foundations and practices (Ajakaiye & Adeyeye, 2001; Bourguignon & Chakravarty, 2003; Misturelli & Heffernan, 2012). Sumner (2007) summarises the poverty concept and poverty measurement in Table 2.1.

**Table 2.1: Evolution of poverty conceptualisation and measurement**

<b>Periods</b>	<b>Concept of poverty</b>	<b>Measurement of poverty</b>
1960s	Economic	GDP Per capita grow
1970s	Basic needs	GDP Per capita grow + basic goods
1980s	Economic	Per capita GDP
1990s	Human development	UNDP Human development indices
2000s	Multidimensional ‘freedom’	Millennium development goals

Source: Sumner (2007, p.6)

Some define poverty through national poverty lines (Sachs, 2005) and claim that people are poor when their earnings are below the average national income (Sachs, 2005; Wagle, 2002). The World Bank considers those who earn less than USD 1 or USD 1.25 per day are poor (Ajakaiye & Adeyeye, 2001; Akindola, 2009; Sachs, 2005). However,

this sole monetary measurement has been criticised as being unrealistic (Wagle, 2002) because poverty embraces a range of problems. In the past, the Asian Development Bank (ADB) also believed poverty was primarily determined by income levels (ADB, 1999, 2006). However, this view has shifted to include other dimensions such as health care, basic education, nutrition, clean water and sanitation (ADB, 1999). Other intangible factors, such as powerlessness and lack of freedom to participate, have also been included in poverty measurement by the ADB. As well the bank's view, poverty has evolved to include other dimensions such as the lack of access to different types of capital including financial, social, human, natural and physical capital (ADB, 2006). Therefore, inaccessibility to these fundamentals is evidence of deprivation such as freedom, marginalisation, powerlessness, wellbeing and other basic human needs and rights.

UNESCAP defines poverty as a multidimensional phenomenon including three aspects: "poverty of money", "poverty of access" and "poverty of power" (UNESCAP, 2005). This is similar to ADB that defines poverty as "a deprivation of essential assets and opportunities to which every human is entitled" (ADB, 1999, p. 5). The United Nations defines poverty as lack of opportunities in the fields of health and education, command over resources and participation in the democratic process (United Nation, 2010). Another way of defining poverty is capacity deprivation (Sen, 2001). According to the World Bank (2001, p. 15), "poverty is pronounced deprivation in wellbeing."

In conclusion, poverty is defined using both economic and non-economic approaches as illustrated in the multidimensional poverty index (MPI) introduced to measure poverty in recent years. MPI is defined as "a measure of serious deprivations in the dimensions of health, education and living standards that combines the number of deprived and the intensity of their deprivation" (UNDP, 2010, p. 26). It recognises poverty as a multidimensional phenomenon. Economic approaches define poverty in terms of income whereas non-economic approaches include concepts such as inequality, basic needs, and human development. Therefore, although the definition of poverty has evolved over the decades, the meaning of poverty is still associated with key words such as 'basic needs', 'deprivation' and 'multidimensional' (Misturelli & Heffernan, 2012).

### 2.3.2. Addressing poverty

Poverty is a chronic problem. The UN and associated governments aim to halve the number of poor people by 2015 (United Nations, 2012). However, it is a great challenge to address this global issue because of its complexity and multiple problems the poor face.

Poverty has powerful impacts on a number of sectors in society because it is multidimensional phenomenon. For example, it has a detrimental effect on the economy, the environment and social equity because of its ability to widen income gaps, increase social unrest, and cause rapid natural resource degradation (Kirchgeorg & Winn, 2006; Snyman & Spenceley, 2012). Roe and Urquhart (2001, p. 3) claim that “poverty reduction requires strategies on a variety of complementary fronts and scales, but a prerequisite of significant progress is pro-poor growth – growth which benefits the poor.”

To address poverty, it is essential to clearly understand its causes because poverty can influence policy and poverty reduction strategy. Poverty is a global problem; however, its causes are different from one country to another (Suntikul, Bauer, & Song, 2009). It is controversial to explain the causes of poverty, but different perspectives have been found in the literature. Some authors claim that attitudes and behaviours and/or lack of social welfare programs cause poverty and they explain that the poor often maintain negative attitudes and behaviours (Moore, 2012; Sawhill, 2003; Wagle, 2002). For instance, while the rich work hard and save more, the poor do not. Therefore, if the poor do not change their attitudes and behaviours, public policies are not well designed to assist the poor and do not encourage such change; thus poverty cannot be alleviated and the gap between rich and poor will widen (Sawhill, 2003). This argument proposes a strong linkage between policy, assistance, and behavioural change.

Conversely, others perceive that poverty is caused by external factors beyond the control of poor people including underdeveloped national economies, lack of skills, capabilities, resources, opportunities, and political force (Blank, 2003). The poor should not be blamed for their poverty because they lack opportunities or resources (Freeman, 1998) to escape from poverty. According to Kristjanson, Krishna, Johnson, Mango, and Radeny (2010), some major factors for falling into the poverty trap are: unexpected loss of livestock and crops caused by drought, flood, land subdivision and exhaustion; poor health; heavy expenses on death; marriage expenses; health care, and alcoholism/drug

addiction; lack of inheritance; and unexpected loss of property due to security/theft. These include both external and internal factors. Therefore, if some of these factors or barriers can be eliminated or solved, poverty can be alleviated.

One strong theme emerging from the literature has been that economic growth in and of itself will rescue the poor from poverty (Carr et al., 2008) and advocates of this view consider economic growth to be the key foundation to poverty reduction (Ajakaiye & Adeyeye, 2001; Krishna, 2003). However, while some perceive economic growth to be an effective tool to alleviate poverty, others argue that many poor people do not benefit from this growth (Begović, Matković, Mijatović, & Popović, 2007) because it can exacerbate income inequality (Freeman, 1998). As noted by Kotler, Roberto, and Leisner (2006), although income per capita has increased, the inequity between rich and poor has increased since the 1960s.

Sachs (2005) claims that the solution to poverty reduction is to create a global network connecting poor communities to the developed world, thus the poor can escape from poverty if the rich are more generous. He proposes that developed countries should provide aid to poor countries. However, some disagree with this proposition, arguing that financial aid might make some poor countries dependent and unable to address their own problems (Easterly, 2006). This argument is supported by Scheyvens (2011) who believes that poverty cannot be solved by transferring financial resources from developed to Third World countries. This author argues that the solution to address poverty needs strong political commitment to prioritise the needs of the poor by changing structures that constrain them. In summary, although various measures have been proposed, there is no consensus to address poverty in all contexts. Each country via aid or development agencies applies its own policies, strategies or measures to address this universal problem.

According to the United Nations (2010), education and stable employment play a key role in poverty reduction. It has been argued that lack of education and employment skills are two factors, among others, dragging people into poverty; therefore, capacity building, investments on education and human resource can stimulate economic growth, and also help people gain access to employment and business opportunities. Secure employment and stable job creation projects are important in poverty reduction because

they have positive effects on poverty alleviation (United Nation, 2010). Furthermore, in the Cambodian context, according to Engvall, Sjöberg, and Sjöholm (2008, p. 74), poverty alleviation requires two main strategies: “the establishment of other income-earning opportunities” for poor communities and “improvements in agricultural productivity”. Given Tourism is a potential market for agriculture; poverty alleviation can be achievable if there are strong linkages between these sectors. Tourism can provide additional opportunities for farmers to generate additional income, if farming communities can produce more products to supply the tourism sector. Agriculture–tourism linkages have been observed in tourism sites (Sofield & Tamasese, 2011; Spenceley, McCool, & Moisey, 2009). If tourism enterprises support the local farmer by using more local than imported product, the farming communities can gain economic benefit from tourist spending (Spenceley et al., 2009).

## **2.4. Tourism and the economy**

This section presents the impact of tourism on the economy. Based on evidence from research, it outlines the contribution of tourism to economic growth, tourism’s ability to diversify local economy as well as tourism economic leakage.

### **2.4.1. Tourism’s contribution to the economy**

As recognised by many governments, international organisations and scholars, the great potential of tourism is that this sector can contribute significantly to national economic growth in particular countries or regions. Studies in several countries have shown a positive relationship between tourism development and economic growth (Brida & Riso, 2010; Ekanayake & Long, 2012; Kreishan, 2010). Based on research findings in different countries over the past two decades, empirical evidence suggests significant positive correlation between economic growth and tourism development in some low-income countries (Ekanayake & Long, 2012). While several scholars (Brida & Riso, 2010; Dritsakis, 2004; Durbarry, 2004; Ekanayake & Long, 2012; Holzner, 2011; Kim et al., 2006; Kreishan, 2010; Lee & Chang, 2008; Nguyen & Nguyen, 2013; Oh, 2005; Vanegas & Croes, 2003; Zhou et al., 1997) present concrete evidence proving that tourism has led to national economic growth in particular tourism dependent countries, other scholars (Akama & Kieti, 2007; Anderson, 2013; Ashley & Mitchell, 2005; Belisle, 1984; Chirenje, Chitotombe, Gukurume, Chazovachii, & Chitongo, 2013;

Choudhury & Goswami, 2013; Dwyer & Thomas, 2012; Goodwin, 2002; Honey et al., 2010; Lacher & Nepal, 2010a, 2010b; Mbaiwa, 2005a; McCulloch et al., 2001; Mowforth & Munt, 2003; Rinne & Saastamoinen, 2005; Sandbrook, 2010a; Scheyvens, 2011; Wagner, 1997; Walpole & Goodwin, 2000) found that tourism contributes less to local economies due to economic leakage in this sector.

Most of these researchers have applied econometric models to estimate the impact of tourism on the economy of host regions or single countries. These models depend on national statistics and/or data compiled by government agencies or international organisations to analyse the economic impact of tourism. Examples of econometric models used for this sector are: Granger causality (Arslanturk, Balcilar, & Ozdemir, 2011; Ekanayake & Long, 2012; Nguyen & Nguyen, 2013; Zortuk, 2009), computable general equilibrium (CGE), input-output (IO) analysis (Blake, 2009; Zhou et al., 1997), social accounting matrix (Wagner, 1997), Rasmussen multipliers (Teigeiro & Díaz, 2014) and other econometric analyses (Holzner, 2011; Schubert et al., 2011). Some researchers have combined these models. Zhou et al. (1997), for example, used CGE and IO analysis to examine the impact of tourism on the Hawaiian economy. They found that the decline in tourism revenue negatively affected three tourism value chain components: accommodation, transportation, and food and beverage. Using a social accounting matrix to examine the economic impact of tourism in a Brazilian region; Wagner (1997) found that a high proportion of tourist expenditure was used to pay for imported products, leaving only a small amount for goods and services produced in the local economy. Analysing the long-term impact of tourism on economic growth for 134 countries from 1970 to 2007, Holzner (2011) found that countries with a high proportion of tourism did not experience higher real exchange rate distortion or de-industrialisation than other countries, but higher than average economic growth rates.

Zortuk (2009) who uses data from 1990 to 2008 to investigate tourism's contribution to economic growth in Turkey found there was causality between tourism development and economic growth. From 1963 to 2006, Arslanturk et al. (2011) found positive predictive power of tourism on GDP from the early 1980s, but did not find any such relationship in reverse. Examining the causal relationship between tourism revenue and economic growth in Jordan by using data from 1970 to 2009, Kreishan (2010) argued there is a positive relationship between tourism development and economic growth in

the long run. Nguyen and Nguyen (2013) used the growth of GDP from 1997 to 2011 as a measure of economic growth and found that tourism contributed to economic growth in Thua Thien Hue, Vietnam. Analysing data from Antigua and Barbuda from 1970 to 2008, Schubert et al. (2011) found that tourism growth increased tourism demand, resulting in an increase in economic growth and improvement in terms of trade. Teigeiro and Díaz (2014) modelled Rasmussen multipliers by using variables, such as income, size of country and imports, to calculate activity of restaurants and hotels. They found that the impact of tourism depends heavily on the economic complexity of destination countries.

It is noticeable that most of the scholars cited above depend on data from governments and international organisations to draw conclusions about tourism impacts on the economy. Analysing historical data to examine tourism's contribution to economic growth indicates what happened in the past. However, this is not necessarily predictive of what might happen in the future. Furthermore, if data are unreliable, as they sometimes are, particularly in developing countries, the results of those studies may be questionable. Moreover, most econometric models frequently estimate the economic impact of tourism at the macro level and the results may not be applicable at the micro level. Data at the micro level may also be unreliable, if such data are even available. To improve understanding tourism's impact at the micro level, it is necessary for reliable data to be collected and made available and for models to be developed using this information. This should include data at the household level.

#### 2.4.2. Tourism's contribution to economic growth in developing countries

Tourism accounts for 45% of exports of services in the developing world (UNWTO, 2010b). It is a principal export sector of developing countries because it is the main source of foreign exchange (Richardson, 2010). Tourism makes significant contributions to developing country economies in terms of foreign exchange earnings, Gross Domestic Product (GDP) and employment (Bennett, Ashley, & Roe, 1999). It accounts for approximately 55% of service sector exports in sub-Saharan Africa (UNWTO, 2004). Numerous developing countries have considered tourism as a core sector of economic development since the 1960s, promoted tourism as a central component of their development process and included this sector in their poverty alleviation strategies

(Carbone, 2005; Croes, 2014a; Mitchell & Ashley, 2010; Novelli & Hellwig, 2011; Scheyvens, 2011; Telfer & Wall, 2000). This trend has been encouraged by constraints in the agricultural and industrial sector to generate growth, due to low prices for their products and protectionism of developed countries (Carbone, 2005).

Governments, in developing countries and international organisations, have promoted tourism as a key economic growth tool to assist developing countries alleviate poverty in host communities and as a mechanism to generate foreign exchange earnings, provide job opportunities for local communities and tax revenues, which can be used to support welfare programs and infrastructure development, benefiting the local population (Carbone, 2005; Hawkins & Mann, 2007). Tourism has also been identified as having multiplier effects in accelerating local economic growth because the development of new tourist destinations has attracted investors, resulting in job creation and business opportunities (Honey & Gilpin, 2009). It has been argued that the inflow of revenue to tourist destinations of developing countries could have significant impact on local economies, increasing the participation of local people in the tourism value chain and reducing poverty (Sinclair & Stabler, 1997; UNEP, 2011).

The tourism sector can play an important role in strengthening national economic development (UNCTAD, 2010). Tourism creates employment and can be one of the most sustainable economic development alternatives, because of its potential significant effects on related industries in local economies (UNWTO, 2010a). Where this is the case, tourism has become an important driver of poverty reduction and livelihood improvement (Clancy, 1999; Croes, 2014a; Croes & Vanegas, 2008; Hawkins & Mann, 2007). Bankole and Odularu (2006) found that 50% of the poorest nations ranked tourism among their top three foreign income sources. This industry provides economic opportunities that influence other sectors including accommodation, transportation, infrastructure, communication, education, security, immigration, and customs (Spenceley, 2009). Because of the economic benefits of tourism, it has been claimed that governments in developing countries can use tourism as an effective tool for generating tax revenue, other income and a variety of jobs, and reducing poverty and reinvigorating local cultures (Mak, 2003).

It is generally expected that the most positive impact of tourism would be on the local economy, as this sector provides business opportunities for host communities and represents a major source of income (Sica, 2005). The tourism sector can also play an important role in diversifying local economic activities because of its ability to create economic and job opportunities in services and other related sectors such as agriculture and manufacturing (UNCTAD, 2010). Local people can gain economic benefits, resulting in livelihood and living standard improvements. Although the role of tourism in economic development and development is not a new theme, the strategies to realise this potential still constitute a major challenge that needs more attention from stakeholders (UNCTAD, 2013). Tourism development requires support through backwards linkages from other sectors such as utilities, telecommunications, agriculture, manufacturing and construction to build and operate tourism facilities, as well as a range of forward linkages with other sectors supplying goods and services to tourists, including retail, financial, recreational and hospitality (Pleumarom, 2012). Investigating how the income from tourism is distributed to local economies of three countries (Kenya, Tanzania & Uganda) in East Africa, Blake (2008b) found that two tourism value chain units (hotels and restaurants sectors) had a significant level of backward linkages with the rest of the local economy. However, forward linkages were weaker, particularly the transport value chain unit.

Tourism is assumed to generate income and other economic benefits for poor people and communities, if it is developed in a responsible and sustainable manner (Pleumarom, 2012). However, although the number of jobs has increased in tourist destinations, the price of goods consumed by local residents in tourist sites has also increased. As a result, the cost of living of local communities tends to be higher in tourist destinations than in other regions of a country, and this has a negative effect on the quality of life (Honey et al., 2010). Another negative impact of tourism is the increasing inequity of income distribution in tourist destinations. As identified by Wattanakuljarus and Coxhead (2008), as tourism does not have a high demand for untrained workers, these workers do not benefit from tourism and this leads to an increase in income inequity in tourist destinations. According to Gindling (2009), although tourism contributed to economic growth in Costa Rica, it had no impact on poverty, but increased inequity. While it is assumed that the local economy will grow

from expenditure by tourists, developing countries face constraints in labour, land and capital for tourism development projects, which means they do not actually occur. Tourist expenditure is more likely to increase costs rather than benefits, revenue and jobs (Dwyer & Thomas, 2012). Therefore, despite large inflows of tourism revenue into local economies, the ability to capture a high share of revenue from tourism is a great challenge facing most countries that depend heavily on tourism for their economic development (UNCTAD, 2013). Tourism's contribution to poverty reduction in many developing countries is thus subject to much controversy (Steiner, 2006).

#### 2.4.3. Economic leakage in tourism

Although the tourism industry has developed considerably in developing countries, critics often claim that, due to the 'leakage' problem discussed below, most of those countries have not benefited sufficiently from the increase in tourism. There are different definitions of tourism leakage, but the outcomes are usually similar. For example, Sandbrook (2010, p. 125) defines this term as "the failure of tourist spending to remain in the destination economy." Mowforth and Munt (2003) refer to a secondary effect occurring when tourism income is not captured significantly in a local economy because of poor strategy of destination countries. And Lejárraga and Walkenhorst (2010) refer to a high proportion of tourist spending leaking out to foreign countries because of the large amount of imported products. Rahman (2012, p. 9) claims that "leakages in tourism occur when revenues arising from tourism-related economic activities in destination countries are not available for re-investment or consumption of goods and services in the same countries." In numerous studies, various authors have argued that a significant amount of tourism revenue has been flown out from destination countries providing less benefit to local communities in developing countries (Akama & Kieti, 2007; Anderson, 2013; Belisle, 1984; Chirenje et al., 2013; Choudhury & Goswami, 2013; Goodwin, 2002; Honey et al., 2010; Lacher & Nepal, 2010b; Lacher & Nepal, 2010a; Mbaiwa, 2005b; McCulloch et al., 2001; Mowforth & Munt, 2003; Rinne & Saastamoinen, 2005; Sandbrook, 2010; Scheyvens, 2011; Walpole & Goodwin, 2000).

These researchers have shown that economic leakage in tourist destinations of developing countries are caused by three main factors: foreign or non-local ownership (Anderson, 2013; Belisle, 1984; Carbone, 2005; Choudhury & Goswami, 2013;

Mbaiwa, 2005b), excessive imported products (Archer, 1996; Belisle, 1984; Choudhury & Goswami, 2013; Croes, 2014a, 2014b); and employment of skilled foreigners or non-local staff (Belisle, 1984; Blake et al., 2008; Choudhury & Goswami, 2013; Honey et al., 2010). In preventing economic leakage in order to gain more economic benefit from the tourism sector, developing countries face great challenges, such as reinforcement of inter-sectoral linkages and reduction of imports that can keep tourism revenue in their national economies (UNCTAD, 2010). Strengthening linkages with other economic sectors can maximise the economic impact of tourism in tourist destinations (Richardson, 2010). However, in some tourist sites, linkages between tourism industry and other local economic sectors are very weak. A high proportion of the tourism revenue tends to be absorbed by non-locals such as investors, tour operators and airline companies (Richardson, 2010; UNCTAD, 2013). Of the balance remaining in the local area, only a small portion of tourist expenditure goes to the poor (UNCTAD, 2013).

The economic benefits of tourism are reduced significantly when tourists use foreign airlines, foreign tour companies, stay in multinational hotel chains (McLaren, 2003), and/or when tourism marketplaces are occupied by foreign suppliers (Mowforth & Munt, 2003; Oriade & Evans, 2011). Tourism leakage tends to be more significant when the local economy is weak and unable to produce sufficient quantity of products and at the level of quality required by the tourism sector (Meyer, 2008), thereby limiting the ability of tourism to become a useful tool for economic growth in developing countries (Chowdhury & Shahriar, 2012; Sandbrook, 2010). Although revenue leakage has become the subject of concern, there are insufficient empirical data to support claims about this issue and its impacts (Pleumarom, 2012; Sandbrook, 2010).

Although there are no data on 'leakages' for most countries, the World Bank, UNCTAD and UNEP have recognised that leakage has occurred in developing countries, less developed countries (LDCs) and remote small island states (Pleumarom, 2012). Due to limited economic diversification, leakage is of great concern in these countries. Some studies have shown that only 20-33% of total tourist expenditure remains in some destinations (Mitchell & Ashley, 2007a) and even less than this would find its way to the poor, from direct earnings and other supply chain activities (UNCTAD, 2013). McCulloch et al. (2001), for example, found that in general 25-45% of tourism revenue stays in the country, whereas UNCTAD's (2013) estimate is 50-60%. However, not all

tourist expenditure that remains in the destination country will find its way to those who are poor.

Moving to specific country figures, it was estimated that about 60% of Thailand's USD 4 billion annual tourism revenue leaked out this country in the 1990s (Mowforth & Munt, 2003), suggesting that only a small amount of money was captured by poor people in host communities. Measuring leakage in Turkey, Kurban, Arzu, and Sedat (2011) found that the percentage of tourism income leakage for 1996 was 38.6%. A study of tourism leakage in Nyanga in Zimbabwe by Chirenje et al. (2013) found that local people only received 12.8% and the remaining 87.2% went to service providers owned by outsiders. However, the leakage of tourism revenue out of the country was not high, because of the limited number of foreign tourists.

In the case of Costa Rica, most of the tourism-related jobs have been occupied by outsiders: while foreigners and English speaking employees were in highly paid positions, construction work was carried out by immigrant workers (Honey et al., 2010). In some destinations, a high proportion of leakage is caused by large-scale development projects, some of which is in the form of enclave tourism, where resources are appropriated and controlled by powerful external interests (Akama & Kieti, 2007). In a case study in Kenya, Akama and Kieti (2007) found considerable overseas leakage of tourism revenues, but only limited linkages to the local economies. This was explained by local people usually not being involved in product development, deriving only small benefits from tourism (Akama & Kieti, 2007).

In addition, a study by Choudhury and Goswami (2013) in the Manas National Park, a World Heritage Site in northeast India, showed that more than half of the tourism revenue leaked from the local economy. Among the factors contributing to this leakage were: domination of tour camps by outsiders, a high percentage of skilled non-local staff because of inadequate skills locally, and small quantities of agricultural products used by the tour camps, resulting from weak linkages between tour camps and local farmers. A study by Anderson (2013) in Zanzibar found that leakages were very high due to the local supply side constraints. These include unreliability and inconsistency of supply, poor quality products, high product prices and delivery charges, and lack of product in the local markets. As a result, hotels depend heavily on imported products

and services and local goods and services are therefore less in demand. This author reveals that:

Investors are mostly from abroad, and tour operators, travel agents, airlines and hotel chains, are often run by foreigners. Even basic items such as foodstuffs, equipment and furniture are often purchased from overseas. The income leakage reaches, and frequently exceeds, 80 % of the prices of the tourist package (Anderson, 2013, p. 72).

Mitchell and Ashley (2007b, p. 1) however argued that “leakage pessimists do us a disservice” and that muddled analysis and claims “divert attention from an important challenge at hand – boosting the linkages between tourism and the rest of the local economy”. These authors added “some respectable organisations have cited research that 75% of the benefits of tourism ‘escape’ the host country ... these figures are generally based on flawed arithmetic” ( Mitchell & Ashley, 2007b, p. 1). Moreover, Chirenje et al. (2013, p. 10) claim that

most leakage studies to date have focused on the national scale, but this does not reflect the recent trend in development to focus on poverty alleviation at the local level...There is a need for research on the impact of tourism leakages on local communities in developing countries.

Numerous scholars have identified that the leakage phenomenon in developing countries is associated with poor linkage strategies. While this diagnosis has been known for the last three decades, governments in some countries have failed to take action on strengthening linkages between tourism and other sectors at popular tourist sites. This disregard has led to the failure to realise tourism’s potential as a powerful tool to accelerate economic growth and/or alleviate poverty in developing countries. As noted by Chirenje et al. (2013), most economic leakage research in the field of tourism focuses on the macro level, but an understanding of what goes on at the micro level is critical to improving linkages between local people and the tourism industry. To clearly understand the leakage phenomenon at the micro level in the study area, this thesis seeks to learn about local community perceptions.

## **2.5. Tourism and local community livelihoods**

This section discusses tourism’s contribution to livelihoods of local communities including their livelihood assets and the linkages between tourism and local community. It also covers critical discourse on this issue.

### 2.5.1. Livelihood assets of local communities

Livelihood assets in tourism sites play a key role for income and livelihood improvement of local communities. Livelihood assets consist of human, social, physical, natural and financial capital, all of which are needed to produce quality products and set up small businesses (Sachs, 2005; Scheyvens, 2002; Shen, 2009; Suntikul et al., 2009). Adapted from Chambers and Conway (1992), the UK Department for International Development (DFID), in presenting the Sustainable Livelihoods Approach (SLA), describes livelihoods as “the capabilities, assets including both material and social resources and activities required for a means of living” (DFID, 1999, p. 1). DFID defines livelihood assets as follows:

- *Human capital* “represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives” (1999, p. 17).
- *Social capital* “is taken to mean the social resources upon which people draw in pursuit of their livelihood objectives” (1999, p. 19).
- *Natural capital* “is the term used for the natural resource stocks from which resource flows and services (e.g. nutrient cycling, erosion protection) useful for livelihoods are derived” (1999, p. 21).
- *Physical capital* “comprises the basic infrastructure and producer goods needed to support livelihoods” (1999, p. 23).
- *Financial capital* refers to “the financial resources that people use to achieve their livelihood objectives” (1999, p. 25).

Shen (2009, p. 61) integrates financial and physical capital into “economic capital” which is defined as “the basic infrastructure, producer goods and the financial resources that people use to achieve their livelihood objectives”. Producer goods are equipment and the tools that individuals use to operate more productively, whereas basic infrastructure can help local communities meet their basic needs and produce more (DFID, 1999). The components of infrastructure include: affordable transport; secure shelter; adequate water supply; safe drinking water; affordable energy; and access to

information. These are considered fundamental to community livelihoods, as is social capital, developed through networks and connectedness (DFID, 1999).

In order to capture the importance of strengthening the participation of local communities in tourism development and political governance, Shen (2009) introduces the concept of “institutional capital” into tourism livelihood assets. This form of capital is defined as “providing for people’s access to tourist markets, tourism benefits sharing, and access and participation in the policy-making process, and the extent that people’s willingness to be involved is reflected in political decisions to achieve better livelihood outcomes” (Shen, 2009, p. 60). According to Shen, institutional capital enables local communities to be involved in the tourism value chain, especially accommodation and transportation. According to Jamieson, Goodwin, and Edmunds (2004), the interaction of all assets requires further investigation to gain insights into the challenges faced by local communities in addressing their involvement in tourism. Such insights are necessary to inform the type of interventions required to enable poor households to participate in the tourism value chain and such participation is the essence of pro-poor tourism (PPT) (Ashley, Goodwin, & Roe, 2001; Holden, 2013).

Based on tourism case studies in some developing countries, such as Nepal, South Africa, Ecuador, Namibia and Uganda, Ashley, Roe, and Goodwin (2001, p. 27) conclude that tourism can influence local livelihood assets in the following ways:

The increase in livelihood security comes from a combination of several elements including: increased regular wage income; opportunities for small income to fill gaps; business opportunities beyond agriculture; better access to market, infrastructure, and information, and financial assets; and so on.

#### 2.5.2. Tourism-local community livelihood linkages

Local communities living in tourism sites often become involved in tourism and related businesses in an effort to improve their standard of living and livelihoods. They participate in tourism value chain services, such as transportation, accommodation, entertainment, catering, maintenance and products (e.g. handicrafts), and food through agriculture and fisheries. This enables them to diversify their income sources to improve their livelihoods. Tourism can affect the livelihoods of local communities in multiple ways: socially, culturally, environmentally, and economically (Bennett et al., 1999).

When a place becomes a tourist destination, the livelihoods of local residents change significantly, as traditional livelihoods are often replaced by both direct and indirect jobs in tourism. Shah, Gupta, and Boyd (2000) reveal that the influence of tourism on local people's livelihoods depends on the way in which locals participate and whether they are employed in the both formal and informal sector such as hotels and guesthouses vending and boating, or the primary food production sector with linkages to tourism. Mbaiwa (2003) argues that the extent of employment created for local communities depends heavily on the degree of linkages between tourism and other local economic sectors. Roe, Ashley, Page, and Meyer (2004) indicate that the tourism industry can often represent the only source of employment for the most vulnerable members of the labour force such as women, unskilled workers, and poor rural citizens. For example, Mbaiwa (2003) found that Botswanan people were employed in low-level jobs, with a few employed as guides and assistant managers. He also noted a disparity in wages between local employees and expatriate staff, even when holding the same position.

Tourism also provides non-economic benefits such as capacity building, basic infrastructure development and services, health care and security (Carbone, 2005; Mowforth & Munt, 2003; UNWTO, 2002b). These benefits contribute significantly to local communities' wellbeing and also play an important role in poverty alleviation. Mason (2003) claimed that beneficial socioeconomic contributions of tourism consist of job opportunities for locals, which enable them to earn income from the tourism industry. Some studies found that tourism has contributed significantly to socioeconomic development. For instance, in West Bengal, India, tourism has contributed to communications, transport facilities, sanitation, living standards of local people, empowerment of women, employment generation and poverty reduction (Ray et al., 2012). Similarly, Muganda, Sahli, and Smith (2010) also found that tourism provides some benefits for local communities in Tanzania, in terms of transportation improvements and infrastructure development. These benefits enable local communities to enhance their livelihoods and participate in economic activities created by this sector.

The capacity of tourism to create jobs and generate income for host communities, in combination with its potential to form backward and forward linkages enables tourism to play a vital role in economic growth and business diversification (UNCTAD, 2013). Tourism's potential for building linkages to other economic sectors help to stimulate

manufacturing, services and agricultural production in areas surrounding tourist destinations (Honey et al., 2010). And thus tourist spending can generate jobs, wages, and profits for local communities. This in turn enables individuals, households and communities to diversify income sources (Honey et al., 2010). As noted by Dwyer and Thomas (2012), tourism growth is expected to increase household incomes and by generating unskilled jobs for the poor, tourism can have positive impacts on poverty reduction for a destination. According to Honey et al. (2010), tourism development not only helps to create employment and diversify family income, but also helps to improve social services, encourage job training and accelerate production of new products and services linked to this sector.

According to Shen (2009), in a tourism livelihood system, livelihood strategies consist of both tourism-related activities and non-tourism-related activities. Livelihood strategies, such as agriculture and labour migration, often complement tourism livelihood strategies to reduce poverty (Tao & Wall, 2009). Therefore, there is a growing opinion that the sustainable livelihood approach (SLA) provides appropriate holistic considerations and insights into the complex relationships between tourism and other poverty-reduction strategies (Aronsson, 2000; Ashley et al., 2000; Jamieson et al., 2004; Lee, 2008; Tao & Wall, 2009).

Tourism can revitalise traditional craft industries which, in turn, can be a significant local revenue source. According to Toops (1993, p. 102) the tourism sector can provide “a new market for the handicraft industry...A duality in crafts production and in the crafts market has been created through tourism requirements” (cited in Sofield & Li, 1998, p. 374). Craft production, which is initially enhanced by tourism, can provide considerable income to local communities, and especially to women. A case study in Vietnam by Nicholson (1997) found that, at the outset, ethnic minority women living in tourist sites earn attractive incomes from selling their traditional embroidery and other handicrafts because they are able to sell them directly to the market. However, with the growth of this sector, as more tourists are interested in these local crafts, this industry can become endangered by competition from imitators, who lower the quality of the goods in many cases and make the market more competitive. The cheap price of imitations cannot cover the costs of producing genuine artisan-ware (Nicholson, 1997; Shah et al., 2000).

Compared to other economic activities, women are involved in a large proportion of tourism and related jobs and businesses, such as petty vending businesses and other low paid occupations (Roe & Urquhart, 2001). A survey conducted in Sihanouk ville, Cambodia by Ong and Smith (2014) found that the majority of local people felt that tourism had improved women's status in the study area, and some women had developed their skills and knowledge because of tourism growth. Although women in some countries experience greater barriers than men in entering or participating in small businesses, women still contribute a high proportion of earnings in the tourism industry (Ashley et al., 2001a). This sector has thus created jobs for women and provided them with opportunities for self-employment, from which they gain societal respect and reduced levels of poverty.

Tourism can provide a market for agricultural products, if local farmers can sell their vegetables, fruits and dairy products to hotels or restaurants that cater to tourists. Agriculture is the main livelihood of some local communities living in tourist sites, especially in many developing countries – including Cambodia – and there is some evidence of linkages between tourism and agriculture in some tourist destinations (Sofield & Tamasese, 2011; Spenceley et al., 2009). Such linkages enable local communities to benefit from money that tourists spend (Spenceley et al., 2010; Spenceley et al., 2009). Research on the relationship between tourism and agriculture in Asia (i.e. India, Indonesia, Philippines, Nepal and Vietnam) has shown that local people can earn higher incomes because the tourism industry has created greater demand for food, timber and other forest products (Shah et al., 2000). Based on research findings in Hawaii, Linda, Fox, and Bowen (1995) conclude that tourism can in fact promote agriculture in various ways. For example, the development of transportation infrastructure for tourists can assist agricultural exports and tourist demand can encourage diversification of agricultural production.

Tourism has the potential to enable those living in cultural heritage areas with a rich history to use their uniquely valuable assets for livelihood diversification, economic development and poverty reduction (Honey & Gilpin, 2009). Tourism can also bring many benefits to the livelihoods of the poor such as access to information, markets, basic infrastructure and income generation (Mitchell & Ashley, 2007a). It is assumed that the poverty of local communities can be alleviated when poor households gain

employment in the tourism sector and diversify their livelihoods, which can generate traditional income (Pleumarom, 2012). However, although local communities often participate in tourism or related businesses by providing goods and services through linkages with other sectors (Simpson, 2009), poor households experience the greatest obstacles to gaining economic benefits created by tourism, they are sometimes vulnerable to the negative impacts affecting their livelihoods through loss of natural resources as well as vulnerability because of local inflation (Bennett et al., 1999). For instance, there can be many negative impacts of tourism on local livelihoods, such as lost access to fishing, forest resources and farmland, which are the main livelihood assets of the poorest. Moreover, although tourism can inject a large amount of money into a destination economy, the ability of local communities to be involved in tourism employment or running related businesses is often limited (Honey et al., 2010) and their capacity to capture a reasonable proportion of the tourism revenue depends on government policy, and intervention (Croes, 2014a).

### 2.5.3. Tourism-local community livelihood investigation: critical discourse

Although several studies have evaluated tourism's impacts on community livelihoods and poverty reduction (Ashley, 2000; Spenceley, 2003; Tao & Wall, 2009), there is insufficient information and evidence on the impact of tourism at many destinations. It is therefore necessary to gather more information on how PPT can improve sustainable livelihoods in host communities (Goodwin, 2009; Holden, 2013; Mitchell & Ashley, 2010; Tao & Wall, 2009; Thomas, 2013).

Shen (2009) indicated that while tourism has been considered as a livelihood strategy employed for poverty reduction in recent years, little theoretical knowledge combining tourism and poverty reduction has been developed to examine the trend. A livelihood perspective focuses on the poor households, while tourism study tends to focus on economic, cultural and environmental impacts (Shen, 2009). Cattarinich (2001) suggests that micro-level analysis of tourism impacts and its interaction with the livelihood strategies of local people is required.

Furthermore, although tourism is a global growth industry with potential for contributing to local livelihood diversification and poverty reduction, most tourism research has concentrated on aspects of marketing, tourism products, impacts and

planning (Hall, Mitchell, & Kirkpatrick, 2004). To date, indicators of tourism performance, such as foreign investment, international tourism receipts, and international arrivals, have been used to evaluate the success of tourism development (UNWTO, 2006). Although such indicators might be appropriate measures to apply in the tourism industry, they are not suitable for assessing the impacts of tourism on community livelihoods and poverty reduction.

Attention has been drawn to deficiencies in focusing on local livelihoods and poverty reduction in tourism research, and tourism development evaluations and pro-poor supporters recommend that this issue can be solved by using the SLA (Ashley, 2000). Even though both the Pro-poor Tourism (PPT) and the Sustainable Tourism for Eliminating Poverty (STEP) programs have been designed as methods to assess impacts on poor people, evaluations continue to concentrate on the economic benefits, based on the assumption that economic growth is the most effective indicator for poverty reduction (Gartner, 2008). Therefore, there is a need to investigate how tourism contributes to the diversification and improvement of local community livelihoods and studying linkages between tourism industry and other economic sectors at the local level, which can provide the insights required to devise strategies that can contribute to poverty reduction.

## **2.6. Tourism's contribution to poverty reduction**

This section discusses tourism's contribution to poverty reduction including critical discourse on this issue, pro-poor tourism initiative programs for eliminating poverty as well as methodologies for measuring tourism's contribution on poverty.

### **2.6.1. Does tourism really alleviate poverty?**

Since the adoption of tourism as a key tool for economic development and poverty reduction, there has been considerable debate on the extent to which this sector has contributed to poverty reduction in developing countries (Croes, 2014b). Although some scholars present evidence that tourism growth has reduced poverty (Lapeyre, 2011; Lepper & Goebel, 2010; Mitchell & Ashley, 2010; Nguyen & Nguyen, 2013; Richardson, 2010), others reveal cases showing that the potential of tourism to reduce poverty is limited (Blake, 2008b; Blake et al., 2008; Chok, Macbeth, & Warren, 2007;

Croes, 2014a, 2014b; Hall, 2007; Harrison, 2008; Honey et al., 2010; Hummel & van der Duim, 2012; Jolliffe & Farnsworth, 2003; McLaren, 2003; Saayman, Rossouw, & Krugell, 2012; Scheyvens, 2002, 2007; Scheyvens, 2009, 2011; Scheyvens & Russell, 2012; Schilcher, 2007; Suntikul et al., 2009; Thomas, 2013; Winters, Corral, & Mora, 2013). While proponents claim that tourism can activate other economic sectors because of its potential for cross-sectoral linkages, and to generate pro-poor growth and labour intensity, sceptics argue that tourism might not reduce poverty because of high economic leakage due to foreign ownership, few linkages, and substantial costs incurred by the poor households, in terms of lost access to natural resources, disruption of socio-culture and displacement (Bennett et al., 1999). Thus it would appear that tourism's contribution to poverty reduction varies widely from one destination to another.

Some pioneering work to support poor households gain benefits from tourism has been successful (Ashley & Mitchell, 2008; Mitchell, 2012; Mitchell & Ashley, 2010), but the evidence showing that tourism has contributed to poverty alleviation is sporadic and tokenistic (Scheyvens, 2011). Goodwin (2011, p. 340) argues that

it is not enough to assume that tourism is not, or is good for development and the poor. We are still a long way from being able to provide policy makers with the evidence for informed decision-making about how to ensure that the benefits of tourism reach the poor.

It is hard to show that tourism can alleviate poverty without empirical evidence or reliable data (Blake, 2008b; Blake et al., 2008; Chok et al., 2007; Croes & Vanegas, 2008; Goodwin, 2009; Mitchell & Ashley, 2010; Muganda et al., 2010; Scheyvens, 2011; Thomas, 2013; Winters et al., 2013). According to UNCTAD (2013, p. 12), "tourism, on its own, may not be the answer to the elimination of poverty, but it can make a significant contribution." Often tourism has an opposite effect (Blake et al., 2008; Scheyvens, 2009), enabling the rich to gain more benefits from tourism than the poor (Chok et al., 2007; Schilcher, 2007).

For example, while Chok et al. (2007, p. 159) claim that "globally, there is a lack of convincing empirical evidence to support the claim that tourism benefits the poor," Blake (2008a, p. 511) notes that "tourism-related industries are found to provide substantially less income for poorer households than other export activities, leading to concern that tourism expansion may be detrimental for poverty alleviation in these countries." Blake et al. (2008), after examining the distributional effects of tourism

expansion on poverty reduction in Brazil, caution against generalising the impacts of tourism growth on poverty. They claim that

the effects on all income groups are positive in Brazil. The lowest income households benefit, but by less than some higher income groups. Policies that could redistribute greater shares of the revenue to the poor are considered. (Blake et al., 2008, p. 107)

Saayman et al. (2012) found that poor households in South Africa benefit very little from tourism income. It is therefore very difficult to conclude whether or not tourism can alleviate poverty because most of the tourism benefits always seem to be captured by elites (Scheyvens, 2009).

Having researched the impact of tourism on poverty reduction in Nicaragua and Costa Rica, Croes (2014a, p. 207) concludes that “tourism does matter for the poor, but that it does not appear to have systematic effects, and that tourism development matters most for the poor at the lower levels of economic development.” Comparing tourism impacts on poverty in these countries, this author found that tourism expenditure affected poverty positively in Nicaragua, because its ability to generate jobs in both the tourism and informal sectors for poor households. However, this was not the case in Costa Rica because the poor were excluded from job opportunities, especially in the hospitality sector, as these jobs were occupied by higher educated Costa Ricans and foreigners. This claim confirmed a previous finding by Honey et al. (2010): employment of local people, particularly the poor were limited to unskilled and low paid jobs. Similarly, Hummel and van der Duim (2012, p. 333) admitted that “SNV [Netherlands Development Organisation] tourism advisers were not able to produce evidence of success in terms of quantifiable pro-poor impact beneficiary figures – such as numbers of jobs or increases in the income of the poor – in a timely and convincingly manner [for] tourism”. As noted by Saarinen and Lenao (2014, p. 367), “tourism development does not easily translate into quick benefits for the local communities in a wider sense, especially in the contexts of developing countries, and may have difficulties in reaching the poorest members of communities.” According to Manyara and Jones (2007), community-based tourism enterprises (CBEs) in Kenya depended heavily on donor funding and were not perceived to have positive impact on poverty alleviation. CBEs in this case did not distribute significant economic benefits at the household level or

diversify the community's livelihoods, although they contributed to the socioeconomic development of communities.

Employment opportunities for the poor are considered key to poverty reduction and an important component of PPT (Mitchell & Ashley, 2010; Snyman & Spenceley, 2012). However, it has also been argued that employment alone cannot help the poor escape poverty because wages in tourism jobs occupied by them are low (Jamieson et al., 2004; Mowforth & Munt, 2003; Tao & Wall, 2009; Wattanakuljarus & Coxhead, 2008). As noted by UNCTAD (2013, p. 12), "the wage level determines the pro-poor impact of tourism; the higher it is, the more it can reduce poverty, as long as the poor have access to jobs". A comparative study by Thomas (2013) in two developing countries (Mali and Lao) found that the average wage of 60% of tourism employees in two tourist destinations in both countries was less than USD 2 per day and this wage level cannot reduce poverty because most households depend on the income of a single person. Moreover, three main reasons have been raised by scholars who claim that tourism jobs alone cannot alleviate poverty. First, the poor can only access casual and/or part-time employment (Scheyvens, 2002; Suntikul et al., 2009). Second, most tourism jobs are seasonal and insecure, resulting in high numbers of unemployed people in the low tourist season (Jolliffe & Farnsworth, 2003). Third, because of lack of knowledge and skills required by the tourism sector, the poor have limited opportunities to be employed in highly ranked positions, usually occupied by foreigners or others with the necessary skills (McLaren, 2003).

In addition, some scholars claim that the potential of tourism for poverty reduction is reduced, if the policy barriers, such as income inequality and corruption, are not solved (Chok et al., 2007; Harrison, 2008; Scheyvens, 2007; Scheyvens, 2011). Hall (2007, p. 116) argues, "unless structural changes are made...the hopes for poverty reduction in many parts of the developing world remain poor." Akama and Kieti (2007, p. 746) found that

tourism development in Kenya has not reduced poverty or contributed to the socioeconomic empowerment of local people. Large scale capital-intensive tourism projects have led to increasing control of the country's tourism resources by powerful external interest groups and the propagation of enclave tourism.

The poor might not benefit from tourism if governments of host tourist destinations pay inadequate attention to employment and income generation and unequal income distribution. Insufficient financial resources and tourism skills restrict poor households from being involved in tourism businesses and employment opportunities. Without more attention to these issues by policy makers, wealthy people or elites living in tourist destinations will continue to receive more benefits from tourism than the poor (Blake et al., 2008; Deller, 2010; Suntikul et al., 2009; Torres & Momsen, 2004). In many circumstances, outsiders with more financial capital and/or business know-how can absorb a high proportion of profits in the tourism sector (Suntikul et al., 2009). For example, a case study in Viengxay district, Lao PDR by Suntikul et al. (2009) found that the domination of Chinese immigrants and other non-local residents who have financial resources and tourism-related business skills increased economic leakages, and this is a main obstacle to the distribution of tourism benefits to poor households. The authors concluded that without Laotian government intervention and regulation, pro-poor tourism would not be achieved. As found in most tourist destinations, while rich people have more control over tourism and related businesses and outsiders dominate highly paid tourism jobs (Hall, 2007), opportunities for the poor to participate in tourism are limited, preventing them from enjoying tourism benefits (Schilcher, 2007). A study by Wattanakuljarus and Coxhead (2008) in Thailand found that inbound tourism has worsened income distribution and widened inequality, because the greatest beneficiaries of tourism expansion are high income households, not farming and other poor households. Thus Thai tourism growth is not pro-poor. A case study by Muganda et al. (2010) found that tourism development in Barabarani village in Tanzania has not improved the quality of life of the local community. And some local people perceived that tourism development has declined, rather than increasing their household incomes and therefore widened disparities in terms of benefit sharing and access to job opportunities. For these reasons, tourism has been criticised for its weaknesses related to distribution of benefits to local populations (Richardson, 2010). Unless more attention is paid to the equitable distribution of tourism benefits, social conflict in tourism sites may be unavoidable.

Moreover, although tourism could help developing countries earn foreign exchange and create jobs for local people, some social scientists have written that poor households and

poor countries are typically disadvantaged or excluded from what tourism can provide (Scheyvens, 2011). It has been argued that rural areas in many developing countries are commonly “denied any significant opportunity to participate in the tourist market” (Goodwin, 1998, p. 3). This argument has attracted much attention in development organisations and academic communities. In an endeavour to encourage wider participation in this sector, several programs have been initiated to support poor households in tourist destinations. While some critics have argued that tourism seems to exploit peoples and environments in developing countries in ways that can deepen inequalities rather than alleviating poverty, pointing to leakages (e.g. Scheyvens, 2011), pro-poor tourism (PPT) supporters suggest greater focus on understanding to what extent in country spending reaches the poor. However, in developing countries, interest in tourism has been mostly concentrated on increasing foreign exchange earnings and tax revenue, employment growth, and the preservation of natural and cultural resources, with less consideration on poverty (Goodwin, 2006; Holland, Burian, & Dixey, 2003; Roe & Urquhart, 2001; Saville, 2001). If tourism strategies focus only on tourism growth, but neglect the poor, the goal of poverty reduction cannot be achieved. As suggested by Bennett et al. (1999, p. 6), PPT strategies should focus on “unlocking opportunities for the poor within tourism, rather than expanding the overall size of the sector (‘tilting’ not expanding the cake).” Moreover, as noted by Scheyvens and Russell (2012), poverty has increased although the number of tourists has grown in Fiji.

However, there are also scholars and organisations that have argued in favour of tourism as a powerful tool to reduce poverty. Among them are Mitchell and Ashley (2010), who identified three pathways – direct effects, indirect flows and dynamic effects – by which tourism benefits have flowed to poor households or contributed to poverty reduction. Direct effects include wages and other income earned by people from poor backgrounds in the various tourism value chains, including accommodation, restaurant, transportation and other services. Some of these earnings are sent in the form of remittances to family members living in other locations. Improved infrastructure can also benefit the poor. Indirect flows occur when tourist expenditures activate economic activities in destinations allowing local communities – especially the poor – to earn income from hotel construction and supplying goods and services, such as food and craft products. Where there are backward linkages to agriculture, farmers also benefit. Induced effects

from tourism are mainly derived from staff re-spending their wages in the local economy, and dynamic effects include changes in the macro economy, such as tax to support services to local communities and capacity building for tourism employees.

Moreover, tourism development is increasingly recognised as an important tool for promoting economic growth and alleviating poverty (Bailey & Richardson, 2010; Richardson, 2010). The rapid growth of tourism stimulates an increase in government revenue and household income through multiplier effects (Nguyen & Nguyen, 2013). However, UNCTAD has warned that although tourism has potential for economic development and poverty reduction, the link between tourism and poverty reduction and economic growth is not automatic. This link depends on the extent to which tourism can create linkages with other economic sectors in destinations such as agriculture and service provider sectors, generate employment opportunities, develop basic infrastructure as well as the provision of financial services (UNCTAD, 2013).

It is also the view of UNWTO that tourism plays a key role in economic growth at destinations, which can benefit the poor (UNWTO, 2002a, 2010b). Tourism can generate employment, including employment for semi-skilled workers, and can provide business opportunities for small enterprises including the sale of products and services directly to tourists. According to UNCTAD, tourism contributes substantially to alleviating poverty, providing employment opportunities to youth and migrant workers and empowering women (UNCTAD, 2010, 2013). Similarly, Zhao et al. (2007) claim tourism is an economic driver which plays a key role in achieving poverty reduction goals. Tourism contributes to poverty alleviation because it can provide indirect benefits for the poor in terms of increased market access for rural areas through the development of basic infrastructure such as roads, clean water supply and communication networks and also helps to promote gender equity (Richardson, 2010). As a result, tourism is not only a catalyst of socioeconomic development through infrastructure development, export revenues, job creation and the development of enterprises, but can also be an effective tool in the fight against poverty (UNWTO, 2013).

Numerous case studies have confirmed that tourism has contributed to poverty reduction, livelihood diversification, capacity building and natural resource conservation. For instance, Harrison and Schipani (2007) found that both community-

based tourism in Lao and private sector tourism enterprises there have played a significant role in developing financial and cultural capital and in alleviating poverty. Blake et al. (2008) found that despite benefiting less than higher income households, the lowest income households received economic benefits from tourism. Examining the relationship between tourism development and poverty reduction in Nicaragua, Croes and Vanegas (2008) found a causal relationship between tourism growth and poverty reduction. Lapeyre (2011) argues that the Grootberg lodge partnership between community, public and private enterprise in a remote area in Namibia contributed not only to poverty alleviation and natural resource protection, but also to capacity building and empowerment of the local community. This enabled them to participate in decision-making processes for tourism management and natural resource conservation. According to this study, tourism improved the livelihoods of some households and reduced the vulnerability of the local community through regular salaries, building of physical and financial assets, and strengthening of human capital by providing tourism staff with essential training. Although Mbaiwa (2003) found that Botswanan people were employed in low paid jobs, involving manual work, a study by Lepper and Goebel (2010) in Botswana found that wages from tourism jobs and remittances contributed significantly to poverty reduction and livelihood diversification in the local community. The joint venture between the private sector and a local community organisation facilitated this outcome. Similar findings were made by Zhao et al. (2007), who argue that local community participation is necessary in “anti-poverty tourism”. They suggest that it is only by being involved in the tourism economy and the tourism decision-making process that tourism will be meaningful for local communities targeted to benefit from this sector. Similar views were expressed by Tosun (2005), who posited that local community participation is a key factor for increasing positive attitudes of local communities to tourism development, as well as for creating economic opportunities for the poor at tourist destinations.

#### 2.6.2. Pro-Poor Tourism for eliminating poverty

Rapid growth of tourism in developing countries has attracted policy makers, organisations involved in development and researchers to consider tourism as an effective tool for economic growth and poverty alleviation (Chok et al., 2007). Influenced by discussions at the 1992 United Nations Conference on Environment and

Development and its recommendations, set out in Agenda 21, several international aid agencies have included tourism in their development programs and strategies for poverty alleviation (Goodwin, 2009; Hawkins & Mann, 2007; Scheyvens, 2007, 2011).

The concept of pro-poor tourism (PPT) has been discussed among tourism stakeholders and scholars to find practical solutions to extend the benefits of tourism to the poor so PPT is defined as “tourism that generates net benefits for the poor” (Ashley et al., 2001, p. 1). These benefits might be sociocultural, environmental and/or economic (Roe & Urquhart, 2001). Jamieson et al. (2004, p. 3) claim that

tourism is pro-poor if it provides: economic gain through the creation of full- or part-time employment or the development of SME opportunities through sales to tourism businesses or to tourists; other livelihood benefits such as access to potable water, roads which bring benefits to poor producers through, for example, improved access to markets, improved health or education; and opportunities and capacity for engagement in decision making in order that the poor are able to improve their livelihoods by securing better access to tourists and tourism enterprises.

Organisations, such as the International Centre for Responsible Tourism (ICRT), the UK Department for International Development (DFID), the International Institute for Environment and Development (IIED), the Overseas Development Institute (ODI), and the UN World Tourism Organization (UNWTO), have promoted the idea of PPT because of its potential as a poverty reduction tool (Mitchell, 2012). UNWTO has included poverty alleviation as a core goal of sustainable tourism (UNWTO, 2002a, 2004, 2005a, 2005b, 2006) and have encouraged governments and tourism businesses to integrate PPT into their tourism development strategies. As suggested by Roe and Urquhart (2001), although poverty reduction is the key component of PPT, environment protection and natural resource conservation have to be incorporated into tourism planning and operations as well, to ensure sustainable development and long-term success of the sector.

PPT and the Sustainable Tourism for Eliminating Poverty (STEP) programs have been initiated to support poor people by DFID and UNWTO and pro-poor programs have been implemented in some countries. The STEP program, initiated by UNWTO in 2002, is consistent with the MDGs and promotes economically, socially and ecologically sustainable tourism. The program focuses on alleviating poverty and providing job opportunities to people in developing countries. As suggested by Miller

and Twining-Ward (2005, p. 32) this would build a supportive tourism process and policy that allow the poor and the least powerful stakeholders to be involved in tourism and expand backward linkages between tourism industry and other sectors.

This is consistent with the view that PPT, as one element in solving the leakage problem, because it aims to unlock poor households, and especially unskilled people, including women, so they can access employment in the formal and informal sectors (Carbone, 2005). It is because of the scope for linkages at destination locations that proponents of PPT have claimed that tourism industry has more potential for poverty reduction than other informal sectors (Rogerson, 2006, 2012a, 2012b). Tourism can play an important role, for example, in activating economic activities by expanding job opportunities for the poor, increasing demand for services and products supplied by the poor and diversifying livelihoods in destination and surrounding areas, thereby contributing to poverty alleviation (Ashley et al., 2001). While tourism is widely considered as a catalyst for economic growth (UNWTO, 2007), some scholars have gone further, claiming that sustainable tourism development in which natural resources and tourism assets are being used effectively can alleviate poverty (Ashley & Mitchell, 2008; Harrison, 2008; Meyer, 2008). However, although PPT has been implemented to promote tourism that alleviates poverty (Ashley et al., 2001), tourism's contribution to poverty alleviation is still questionable (Pleumarom, 2012).

Scheyvens (2007) criticises PPT and STEP strategies on the basis that they only emphasise local intervention and do not unlock structural constraints at a national and global level. Similarly, Schilcher (2007) argues that macro level policies and practices, such as effective enforcement of labour codes and the regulation of foreign-owned tourism enterprises would alleviate poverty more effectively. According to this author, economic growth, the equitable redistribution required for poverty reduction and policies aimed at increasing both income and assets of the poor can accelerate economic growth of the tourism sector. Scheyvens (2011) suggests that effective PPT strategies should focus on capacity building of the poor, facilitate their empowerment, assist the poor to secure their rights, gain more control over their lives and tourism activities in their areas and share its benefits equitably. However, this is rarely achieved, as development led by tourism is usually accompanied by revenue leakages, enclaves, inequalities and dependency (Pleumarom, 2012; Scheyvens, 2011). Evidence presented in the literature

indicates that poverty reduction goals cannot be achieved if policies focus exclusively on economic growth and neglect other factors, such as levels of inequality, access to credit, and the equitable distribution of economic, social, and environmental benefits, which also play an important role in poverty alleviation (Gartner, 2008).

Since PPT was introduced, it has attracted attention from several scholars and practitioners, whose interests widely differ. While some scholars (e.g. Bolwell & Weinz, 2008; Chok et al., 2007; Croes & Vanegas, 2008; Gartner, 2008) investigate PPT from a macro level, where government policy is focused, others (Akyeampong, 2011; Blake et al., 2008; Holden, Sonne, & Novelli, 2011; Mensah, 2012; Mensah & Amuquandoh, 2010; Muganda et al., 2010; Wattanakuljarus & Coxhead, 2008) examine income distribution at a micro level, and host communities' perceptions and experiences. PPT from the perspective of larger corporations has been investigated (Erskine & Meyer, 2012; Pillay & Rogerson, 2013; Scheyvens & Russell, 2012). However, according to Zeng and Ryan (2012, p. 239), "there has been a lack of research in some areas, such as in the micro economics of Tourism-Assisting the Poor (TAP), targeting local poor people, quantitative research, case studies and anthropological analysis."

### 2.6.3. Tourism impact measurement on poverty

Understanding the tourism–poverty connection is important, if tourism is used as a tool for alleviating poverty and achieving other MDGs (Mitchell & Ashley, 2010; Winters et al., 2013). Zhao et al. (2007, p. 122) developed "an integrative research framework on anti-poverty tourism," which can be applied to in-depth studies of tourism. Although this framework can provide clear guidelines for conducting anti-poverty tourism, it does not provide solutions that address poverty.

In order to understand the extent to which tourism contributes to poverty reduction, it is necessary to have an agreed methodology through which this reduction can be measured. However there does not seem to be an agreed methodology for measuring this reduction (Jamieson et al., 2004; Thomas, 2013). In particular, there is insufficient research in micro economics, focusing on local poor households, case studies and anthropological analysis to assess the tourism contribution to poverty reduction (Zeng & Ryan, 2012).

Szarycz (2009) and Holden et al. (2011) suggest that a qualitative approach is appropriate to study the real lives, experiences and perceptions of communities in tourist destinations, as this approach enables members of local communities to express their experiences and perceptions of poverty. This statement influences my stance on choosing my research method for investigating how tourism growth has contributed to local people's poverty alleviation in the Siem Reap-Angkor region. Moreover, I decided to apply a qualitative approach in this study because I believe that being informed by local communities is more valuable than official figures released by government agencies which in poor least developed areas are often very unreliable.

However, some researchers who have measured tourism's contribution to the economy and poverty have applied mathematical models, because they want to assess the impact of tourism at the macro level. While a range of methodologies have been used in macro level studies, such as Input-Output models, Social Accounting Matrices (SAMs), Applied General Equilibrium (AGE) model, Computable General Equilibrium (CGE) models, and Tourism Satellite Account (TSA), there is a lack of similar tools to assess the impact of tourism on poverty at the micro level (Mitchell & Ashley, 2010). Zhao et al. (2007, p. 123) criticised TSA, created by UNWTO in 2001, claiming that it "only measures the contribution of tourism to the macro economy rather than specifically to a certain social group like the poor". This argument was supported by Zhang, Ding, and Bao (2008), who claimed that most of the existing tourism economic impact assessment methods which depend heavily on mathematical economics are used to evaluate the complex phenomena of tourism impact at a macroeconomic level and they are difficult to apply to a small community.

With increasing research interest in the use of tourism as an effective tool to reduce poverty at a micro level (Mitchell, 2012; Muganda et al., 2010; Simpson, 2009; Snyman, 2013; Snyman & Spenceley, 2012; Snyman, 2012), there have been calls for research approaches that focus on the micro level (Ashley, 2000; Ashley & Mitchell, 2005; Ashley & Roe, 2002; Scheyvens, 2002, 2007; Scheyvens & Russell, 2012; Schilcher, 2007; Zhao et al., 2007). Micro level approaches are considered more appropriate to gain insights into links between tourism and poverty reduction and to give voice to poor communities in sustainable tourism development.

Micro level methods that have been applied in PPT research include tourism value chain analysis and the sustainable livelihood approach (SLA) to estimate or assess tourism impacts on poverty (Gartner, 2008; Lapeyre, 2011; Mitchell, 2012; Thomas, 2014). When applied to PPT, value chain analysis is appropriate for analysing the contribution of tourism on poverty reduction in the various sectors associated with tourism and livelihood diversification of local communities (Mitchell, 2012). Lapeyre (2011), for example, applied the SLA to analyse tourism's contribution to poverty reduction, ensuring environmental sustainability and socioeconomic development in a rural region in Namibia.

These approaches have been adopted in response to the demand for more specific measures of various pro-poor impacts of tourism on local people, especially the poor (Truong, 2014a). Mitchell (2012, p. 473) claims that “value chain analysis does provide a useful research method to assess destination impacts...In addition, the approach has been refined to allow relatively quick and affordable analyses”. One reason is that this method is suitable to assess how the poor can engage beneficially, with other sectors, including trade. It is also an effective qualitative diagnostic tool which can identify critical problems and blockages for host communities. Identifying barriers faced by local communities in accessing economic benefits of tourism is what prevents their involvement in supplying the tourism market. This knowledge is essential for formulating effective policies and development strategies.

Value Chain Analysis (VCA) often used in business to identify and differentiate business components .It refers to “the full range of activities, which are required to bring a product or services from conception to the final delivery to consumers” (Kaplinsky, 2004: p.80; Kaplinsky & Morris, 2002). It is a tool that helps to identify stakeholders in a chain of transactions, from production to consumption (Mitchell & Faal, 2007).

VCA is often used to “analyse the process by which a service or product reaches the final consumer. It has often been used to examine manufacturing, agriculture and industries, and recently has been applied to the tourism sector” (Harrison, Sofield & Pratt, 2015, p.2) to analyse the distribution of tourist expenditure to the destination level (Ashley, Goodwin, & McNab, 2006; Ashley, 2006; Mitchell & Faal, 2006, 2007, 2008;

Mitchell & Phuc, 2007). It can also be used to diagnose pro-poor impacts in supply chains, identify linkages involving local people in the tourism sector, as well as opportunities and constraints of the poor to participate in tourism value chains and to propose the best interventions to support the poor (Harrison et.al, 2015; Mitchell, 2012). It can help to explain why the poor receive or fail to receive a share of tourism benefits in tourist destinations.

Tourism value chain analysis (TVCA) is a tool to examine economic activities of local people which link up with the tourism industry and it allows us to investigate how much tourism benefits contribute to the local economy (Mitchell et.al, 2008; Spenceley et.al, 2010). It is a useful tool in assessing where value is added, by identifying the points at which the poor could contribute, and providing suitable interventions to government and other stakeholders (Harrison et.al, 2015, p.2). Thomas (2014) employed a value chain analysis, integrating both qualitative and quantitative approaches in the form of surveys, observations and interviews. The Netherlands Development Organization (SNV) has applied the value chain analysis and development (VCA&D) approach to identify constraints and opportunities in the process of formulating tourism strategies that can expand development interventions throughout the tourism sector (Hummel et al., 2013). However, in this study, because of time and budget limitations, TVCA was only used to identify barriers preventing local people from gaining tourism benefits, exploring their poverty and examining employment opportunities which might enable them to escape from poverty.

The micro studies cited above are consistent with the view of Gartner (2008), that measurements of tourism impacting on poor populations should not be limited to economic benefits, but should also consider sociocultural and environmental impacts as well as contributions to poverty reduction, using a broad definition of poverty. To measure the contribution of tourism on poor populations, UNWTO has used indicators to assess the impact of tourism on poverty. These are: employment; supply of goods and services; direct sales of goods and services to tourists; managing tourism enterprises by the poor; tax or profits with proceeds benefiting the poor; voluntary support by tourism enterprises; and investment in infrastructure (UNWTO, 2006). Gartner (2008) suggested that these indicators are helpful in developing a tourism conceptual framework for poverty reduction.

## **2.7. Concluding remarks**

The literature review identified that tourism development has contributed positively to economic growth in most host developing countries. However, its contribution to poverty alleviation is controversial. Numerous studies have investigated tourism impacts on economics and the contribution of tourism on local livelihoods and poverty reduction, but only a few have focused in any depth on the involvement of local people in the tourism value chain such as transportation, accommodation and the improvement of local community's livelihoods and the perceptions of local residents towards tourism's contribution to poverty reduction. However, valuable studies by many researchers (Akyeampong, 2011; Ashley et al., 2000; Ashley & Mitchell, 2005; Ashley & Roe, 2002; Blake et al., 2008; Bolwell & Weinz, 2008; Chok et al., 2007; Croes & Vanegas, 2008; Erskine & Meyer, 2012; Gartner, 2008; Holden et al., 2011; Hummel et al., 2013; Lapeyre, 2011; Mensah, 2012; Mensah & Amuquandoh, 2010; Mitchell, 2012; Mitchell & Ashley, 2010; Muganda et al., 2010; Pillay & Rogerson, 2013; Rogerson, 2012a; Scheyvens, 2002, 2007; Scheyvens & Russell, 2012; Schilcher, 2007; Simpson, 2009; Snyman, 2013; Snyman & Spenceley, 2012; Snyman, 2012; Szarycz, 2009; Wattanakuljarus & Coxhead, 2008; Zeng & Ryan, 2012; Zhao et al., 2007) have provided deep insights into tourism impacts on poverty, as well as appropriate research methods and guidelines, useful for assisting with the conduct of research into tourism's contribution to poverty reduction in the Cambodian situation.

To better understand relationships between tourism and poverty and the contribution of this sector to poverty reduction, it is necessary to examine local people's livelihoods and poverty, especially opportunities and constraints of local communities to gain benefits from tourism as well as their participation in the tourism value chain. Their experiences, voices and perceptions toward tourism and poverty reduction are essential for more in-depth understanding about the role tourism plays in poverty alleviation.

Regarding research approaches, throughout the reviewed literature, it has been found that scholars have used different research methods to assess the contribution of tourism to economic growth and poverty alleviation. Some applied a quantitative approach whereas others used qualitative research. While some focused on macro and national levels, others concentrated on the micro level. Influenced by the work of various

scholars (Dwyer & Thomas, 2012; Hummel et al., 2013; Mitchell, 2012; Muganda et al., 2010; Scheyvens & Russell, 2012; Simpson, 2009; Sofield et al., 2004; Snyman, 2013; Thomas, 2014; Zhao et al., 2007) and other suggestions (Ashley et al., 2000; Ashley & Mitchell, 2005; Ashley & Roe, 2002; Gartner, 2008; Holden et al., 2011; Scheyvens, 2007; Schilcher, 2007; Szarycz, 2009; Zeng & Ryan, 2012), this study applied a qualitative case study approach and value chain analysis to examine tourism impacts on poverty at the micro level. They are appropriate for assessing the impact of tourism on poverty and livelihoods of local people, responding to the demand for more specific measures of tourism's impact on the poor and enabling local communities to express their perceptions and real live experiences. While Dwyer and Thomas (2012) used survey data from tourists to assess the pro poor impact of tourism at the macro level, this study sought local residents' perspectives and experiences to estimate tourism's contribution to poverty at the micro level.

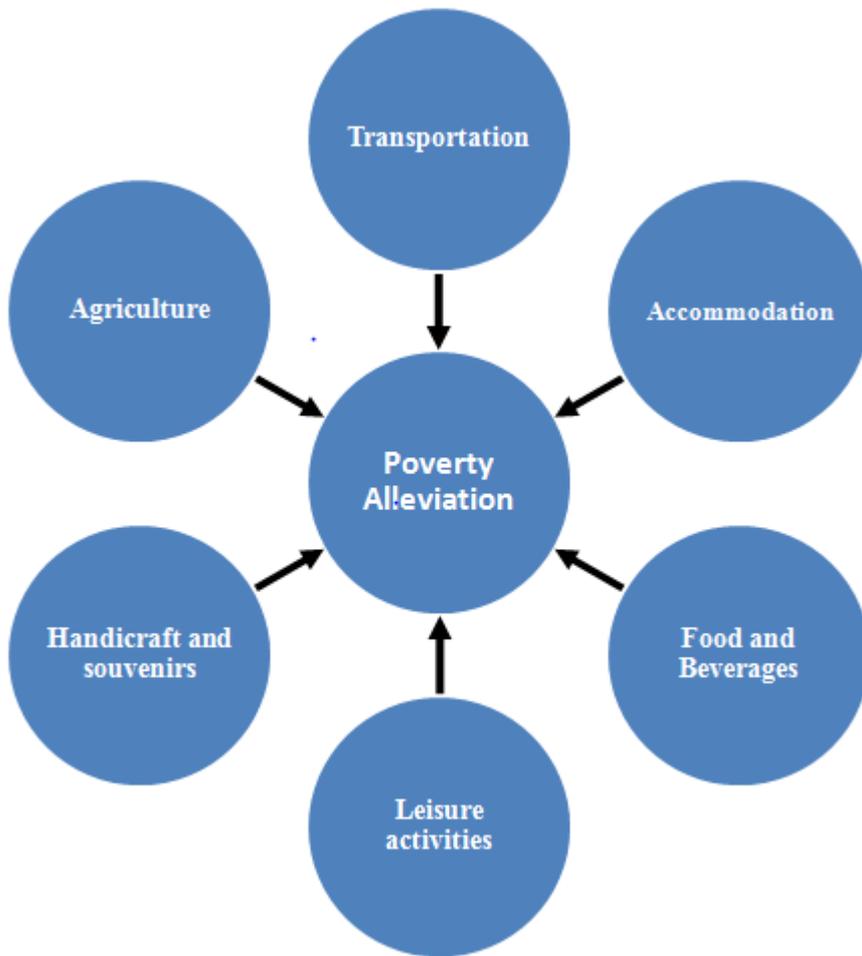
The review of literature has also found hundreds of PPT academic articles published in journals and books. However, no research paper from the Siem Reap-Angkor region has been published to date. Moreover, most PPT studies have not examined the involvement of local people in all components of tourism value in each destination, and they focused instead on some units of the tourism value chain only. Therefore, this study aims to fill this gap by investigating all components of the tourism value chain. According to Mitchell (2009, p. 1) a tourism value chain is "the full range of activities that are required to bring a tourist to a destination and provide all the necessary services such as accommodation, catering, retail, excursions, etc." It is a range of units and activities that starts from booking a tour in the tourist's country of origin to all services in the tourist destination.

However, although the TVC starts from the booking of the tour, this study, which investigated the role of tourism in poverty reduction, is concerned with the actual trip to Cambodia, only if this is packaged with local services, thereby affecting the ability of small operators to provide services. In general, local residents in Siem Reap only benefit from both direct and indirect employment, not from tour operators in their original countries. Therefore, six components of TVC (Figure 2.1): agriculture, local transportation, accommodation, food and beverage, leisure activities and handicraft, and souvenir production have been investigated.



**Figure 2.1: Tourism value chain components in the Siem Reap-Angkor region**

Ultimately, based on multidimensional poverty concepts, tourism value chain analysis and some mechanisms developed by UNWTO, this study aims to understand tourism development trends and the TVC in the Siem Reap-Angkor region. It examines socioeconomics, livelihoods and poverty of local people, their ability to be involved in all components of TVC, their constraints and opportunities to access TVC and their capacity to absorb economic benefits from tourism growth. The intent was to understand local residents' perceptions and attitudes toward tourism development and tourism benefit sharing, and examine their employment in tourism enterprises and tourism-related employment, their capacity to supply goods and services to tourists and the benefits they received from tourism growth. Therefore, based on the framework below (Figure 2.2), this study investigates each component of TVC, assessing whether or not tourism growth indeed contributes to poverty reduction of the local population.



**Figure 2.2: Framework for exploring tourism’s contribution to poverty alleviation in the Siem Reap-Angkor region**

## **CHAPTER 3: RESEARCH METHODOLOGY AND METHODS**

“Research methods are excellent tools, but they are only as good as the craftsperson who uses them.”

Miles, Huberman, and Saldaña (2014, p. 104)

### **3.1. Introduction**

This chapter presents the methods applied to achieve the objectives of this research and answer the research questions outlined in Chapter 1. The methodological foundation on which this research is based is presented, with an explanation for why a qualitative case study approach is suitable. Preparations for data collection are described, outlining the four-stage research design, and procedures adopted to gain access to gatekeepers (commune and village chiefs), research participants and experiences encountered before data collection. The chapter concludes with detailing the process of data collection, including sampling techniques, qualitative data collection methods, and data analysis and tourism value chain analysis.

### **3.2. Methodological paradigm**

#### **3.2.1. Qualitative approach**

A constructivist epistemology and theoretical perspective of pragmatism have guided this research project and influenced the research approach. Pragmatism has been linked to successful mixing of methods (Creswell, 2003; Johnson & Onwuegbuzie, 2004; Teddlie & Tashakkori, 2009). This study is pragmatic in the sense that the research focuses on a case study in which a number of issues were explored, as reflected in the research question: How and to what extent does tourism in the Siem Reap-Angkor region contribute to poverty alleviation?

A qualitative approach as “a means of exploring and understanding the meaning [of] individuals or groups” has been used extensively in many disciplines (Creswell, 2013, p. 246). This approach “explores attitudes, behaviour and experiences” of the study population (Dawson, 2002, p. 22). As noted by Strauss and Corbin (1998), a qualitative

approach is suitable for understanding perceptions of participants in the context of where they live. This study employs a qualitative approach because it seeks to understand people's lives, their views and "actions in the context of their lives overall" (Snape & Spencer, 2003, p. 7) which is a core foundation of the interpretive paradigm, acknowledging that "people's perceptions and experiences of reality are subjective" because the reality is based on multiple perspectives, not a single truth, as suggested in positivism (Hennink, Hutter, & Bailey, 2011, p. 15). The adoption of this paradigm was also influenced by Denzin and Lincoln's (2008, p. 31) claim that "all research is interpretive; it is guided by the researcher's set of beliefs and feelings about the world and how it should be understood and studied". Qualitative research methods which provide insight and depth on specific issues have been useful in this research, because they have helped to understand such factors as local livelihoods, the poverty situation, constraints and opportunities for gaining economic benefits from tourism, perceptions, and the dynamics of tourism activities. Therefore, for the purpose of this study, my stance has also been influenced by scholars, such as Szarycz (2009) and Holden et al. (2011), who suggest that a qualitative approach is appropriate to study real lives, experiences and perceptions of communities in tourist destinations, as it enables research participants to express their views on these issues and their perceptions on tourism's contribution to poverty reduction.

According to Creswell (2013), there are five qualitative approaches (narrative, phenomenological, grounded theory, ethnographic and case study) to inquiry. Use of a case study approach has been one key approach to my inquiry.

### 3.2.2. Case study

This research applied a case study approach, employed extensively in tourism research (Beeton, 2005) and other disciplines due to its popularity and familiarity amongst social scientists (Creswell, 2013; Yin, 2009). A case study, which is an empirical inquiry exploring a "contemporary phenomenon in depth and within its real-life context" (Yin, 2009, p. 18), is particularly useful when looking for new insights that might be applicable to a larger group of cases or activities (Curry, Nembhard, & Bradley, 2009). According to Merriam (2014, pp. 43-44), special features of case study can be considered "particularistic" (focusing on a particular situation, or phenomenon),

“descriptive (rich, thick description of phenomenon), and heuristic (illuminating the reader’s understanding of the phenomenon)”. These characteristics make the case study approach particularly suitable for this study.

There are different discourses amongst scholars as to whether case study is a methodology, a research strategy or research process. Creswell (2007, 2013) considers case study as a “methodology” of qualitative enquiry. This author defines case study as

a qualitative approach in which the investigator explores a real-life, contemporary bounded system (a case) or multiple bounded system (cases) over time, through detailed, in-depth data collection involving multiple sources of information (e.g. observations, interviews, audiovisual material, and documents and reports), and reports a case description and case themes (2013, p.97).

Like Creswell, Merriam (2014, p. 43) defines a qualitative case study as “an in-depth description and analysis of a bounded system.” In contrast to Creswell (2007), Yin (2003a, p. 14) considers case study “as a research strategy” which “comprises all-encompassing method, covering the logic of design, data collection techniques, and specific approaches to data analysis.” This author argues that case study research can be used to “explain complex real-life interventions,” to “describe an intervention,” or to “explore situations” (Yin, 2003a, p. 15).

According to Darke and Shanks (2002), the case study approach which uses multiple sources of evidence and applies a variety of data collection techniques, including observation, interviews, and documents and text analysis, has been employed extensively in social research as a tool for developing or “understanding social phenomena”. Thus, “case study research is most often concerned with primary qualitative data” (Darke & Shanks, 2002, p.111). Finally, Merriam (2014, p. 46) concludes that a “qualitative case study is the process of actually carrying out the investigation, the unit of analysis (the bounded system, the case), or the end product.” Darke and Shanks (2002, p.119) also claim that case study can provide readers with an “interesting and convincing story”. Merriam (2014, p. 43) claims that case study research can provide deep insights and explain meanings that can expand the experiences of its readers. Furthermore, Yin (1993) suggests that case study must be written in a persuasive engaging manner which consistently entices target audiences to continue reading.

Therefore, although this research accepts Yin’s (2003; 2009) position, that case study is a strategy or research process in which multiple research approaches can be used; this study also endorses Creswell (2007, 2013), who considers case study as methodological qualitative enquiry and Darke and Shanks (2002), who suggest that qualitative data is more important than quantitative output. With these ideas in mind, I believe that a qualitative case approach is suited to this study in the context of the Siem Reap-Angkor region, where local people are eager to express their views on tourism and poverty, their stories about their livelihoods as well as their concerns about the impact of tourism. Moreover, because this thesis intends to present the views of local people and stories rather than providing statistical significance, I consider a qualitative case study to be most appropriate for this research. Therefore, adopted from Gray (2004), this study applied a methodological paradigm, research methodology and methods as summarised in Figure 3.1.

Paradigm	Methodological Approach	Research Methods	Sampling techniques
<ul style="list-style-type: none"> <li>•Pragmatism</li> </ul>	<ul style="list-style-type: none"> <li>•Case study</li> </ul>	<ul style="list-style-type: none"> <li>• Observation</li> <li>• Interview</li> <li>• Focus group discussion</li> <li>• Informal conversation</li> </ul>	<ul style="list-style-type: none"> <li>•Convenience</li> <li>•Snowbal</li> <li>•Purposive</li> </ul>

**Figure 3.1: Paradigm, methodology, methods and sampling techniques**

### **3.3. Preparation for data collection: challenges and solutions**

#### **3.3.1. Access to gatekeepers and research participants**

Before I could embark on my data collection, I obtained human research ethics approval from Victoria University’s Human Research Ethics Committee. In order to access the research areas, it was also necessary to obtain permission from the Siem Reap Governor and other gatekeepers such as commune and village leaders. This was facilitated by the rector of the Royal University of Agriculture, where I have been employed as a lecturer for two decades, who provided a formal letter, stating that a research project on "the role of tourism in poverty reduction in the Siem Reap-Angkor region" was being conducted

by a Cambodian-born lecturer who was studying for a PhD in Australia. This letter was submitted to the Governor of the Siem Reap province.

Following the Governor's approval, I contacted government officials responsible for various provincial departments, such as tourism, planning, agriculture, rural development, environment, water resources, urban planning and police, to obtain relevant documents and conduct interviews. As previously mentioned, I also made contact with local authorities, such as commune and village chiefs, to gain access to their jurisdictions and obtain information and lists of households within the study area, which they provided after I had clearly communicated the main goal of this research, my research questions and why I was passionate to conduct research in their villages. These village leaders welcomed me and became my facilitators for conducting interviews in their respective villages. They were friendly and helped me to distribute information and consent forms to villagers, and directed me to research participants' houses. Without support from these helpful gatekeepers, it would have been impossible to conduct such extensive fieldwork in those villages. However, interviews were conducted without the presence of village chiefs, because some interviewees were reluctant to voice their concerns or perceptions freely in front of these gatekeepers.

In order to obtain reliable information, mutual trust and respect was necessary during my data collection. I achieved this by spending time to make friends with some of these people, talking normally about issues that related to their livelihoods, families and villagers' situations. The main reasons for trust by informants had to do with my background and academic career. Firstly, Siem Reap is my hometown and participants believed that my findings might be useful for the Siem Reap-Angkor region. Secondly, I used to be a primary school and high school teacher in Siem Reap town before being promoted to university lecturer in Phnom Penh. Based on these reasons, I was able to build good relationships with most village leaders who helped me access villagers. Some research participants revealed much information regarding their livelihoods, stories, experiences, perceptions and concerns about the impact of tourism.

### 3.3.2. Experiences encountered before data collection

Although local residents were happy to participate in this study, there was a problem regarding the consent form, because many were reluctant to sign it. Firstly, villagers

were unfamiliar with the concept of a consent form and, secondly, there was some concern that the forms containing their signatures could be misappropriated in some way, especially for political purposes. Such issues have occurred in the past in Cambodia, in the case of certain politicians and other organised groups obtaining signatures for membership purposes.

To address this problem, I asked the village chiefs to help me. Without their coordination and assistance, most villagers would have refused to sign consent forms. The village chiefs facilitated and played an important role in explaining this issue and gave guarantees that participants' signatures and responses would not be misused. The fact that information forms were distributed to participants in advance allayed fears and privacy concerns, so they were able to understand the aims of the research, how the information they gave would be used and were reassured that individuals would not be personally identified. Before starting interviews and focus groups, I reiterated the purpose of the research and the reason why signatures were necessary, so that respondents felt at ease expressing their opinions. The result was that local residents did eventually agree to sign (or mark with a thumb-print, as applicable) the consent forms and participate in interviews and focus group discussions. However, some participants still refused to sign, but agreed to give verbal consent.

To sum up, in the context of Cambodia, especially when conducting research in rural villages, without strong support from local authorities, the research process faces many constraints. Due to cultural resistance, I would argue that the consent form approach, commonly employed in research in Western/developed countries, is very difficult to employ in developing countries, especially where local residents have lived through a regime of terror. Such a requirement can make respondents uneasy about answering questions or expressing their concerns and opinions, because their names and signatures have been given to the researcher.

In spite of this convenient access to villagers, not everything went according to plan. Some officials refused to give interviews, or to provide some documents related to financial or sensitive issues that might affect their positions. Lack of information about taxation, wages of employees or workers employed by government agencies responsible for the management of the Angkor archeological heritage site encouraged me, rather

than changing my research strategy, to give less emphasis on secondary data and place more emphasis on primary data. Therefore, I had to conduct more observation in each study commune, and more interviews with local authorities and those employed at the Angkor archeological heritage site.

### **3.4. Data collection methods**

Most scholars mentioned above influenced my stance to adopt a qualitative approach in this study; these scholars and numerous qualitative researchers recommended and used observations (Liamputtong & Ezzy, 2005; Patton, 2002) interviews (Olszewski, Macey, & Lindstrom, 2006) and focus group discussion (Hollander, 2004; Liamputtong & Ezzy, 2005; Manderson, Bennett, & Andajani-Sutjahjo, 2006; Morgan, 1997) as key tools for data collection. However, although the same methods have been applied, quality research outcomes are not the same. One factor that affects results from research findings is the capacity of each researcher and their role as a data collector. As noted by Miles et al. (2014, p. 104) “research methods are an excellent tool, but they are only as good as the craftsman who uses them.” Based on my personal experiences, I strongly agree with this statement.

As a researcher, I conducted my Masters research by applying surveys as a data collection tool, but quantitative data obtained from respondents was not realistic or reliable. I found that most of my respondents, at that time, did not tell the truth about their income and other issues that related to household economy, and they looked bored when answering the survey questionnaire. However, respondents liked to chit-chat and tell stories about their lives, their villages and other issues related to their livelihoods after questionnaires were completed. This experience encouraged me to adopt a qualitative approach, applying research methods such as observation, informal conversation and in-depth interviews. Moreover, my experience as a data collector, a facilitator in group discussion and interviewer in some research projects with my colleagues has enabled me to collect information smoothly and this dealt with the challenges faced during fieldwork. I used the abovementioned data collection techniques (see Figure 3.2) and spent nearly eight months in Siem Reap, making three separate visits: March to May 2012, November 2012 to January 2013 and October to

December 2013 and also spent time making informal conversations by phone when I stayed in Australia.

#### 3.4.1. Data collection phases

In this study, primary data were collected by making observation, conducting interviews, and focus group discussions supplemented with informal conversations. Data collection was conducted over four phases.

*Phase one* involved collection of secondary data and official documents to: establish the context of the tourism system and poverty; communication with government officials, local authorities, and tourism stakeholders; and identification of research participants. I asked some officials for permission to collect relevant documents from their offices and make observations at the study areas. At this stage, I also observed communes included in the study, local markets, night markets, frequently visited temples as well as other popular areas to gain insights about tourism interaction with local people's livelihoods, the environment and contribution of tourism to local infrastructure development, socioeconomics and poverty in study communes. During my observations, I talked with many villagers and those involved in the tourism value chain and other tourism-related employment.

*Phase two* involved interviewing key informants, government officials, local authorities, tourism employees, employers, local residents involved in the tourism value chain and leaders of informal farmer associations to find out their perceptions and opinions about tourism and poverty reduction, tourism impacts, poverty, and the livelihoods of local residents in this archeological cultural heritage site.

*Phase three* involved focus group discussions (Finch & Jane, 2003) with civil servants, retired people and interested villagers to explore local people's constraints and opportunities to participate in the tourism value chain, necessary development and training programs, interventions and support that the local community really needed in order to gain economic benefits from tourism and alleviate poverty.

*Phase four* involved in-depth interviews (Legard, Keegan, & Ward, 2003) used to gain deeper insights from interested research participants on how tourism could be used to

alleviate poverty. Some participants interviewed in this phase were selected from those in previous phases. They were eager to tell me in detail about their experiences, concerns, solutions and thoughts about tourism and poverty. Most stories and participants' perceptions in this thesis came from interviews in this final stage.

Phase 1	Phase 2	Phase 3	Phase 4
<ul style="list-style-type: none"> <li>• <i>Observation</i></li> <li>• <i>Informal conversation</i></li> <li>• <i>Secondary data collection</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Semi-structured interviews</i> Officials, local authorities, tourism employer, employees, local people &amp; other key informants</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Focus group discussion</i> Civil servants, retired people, interested villagers</li> </ul>	<ul style="list-style-type: none"> <li>• <i>In-depth interviews</i> Interested research participants</li> </ul>

**Figure 3.2: Data collection process**

In this study, I obtained primary and secondary data from different sources and various groups of research participants to triangulate and cross check information. Secondary data, obtained prior to the primary research, were collected from government agencies, such as the provincial tourism department, the provincial department of planning, provincial police commissary, local authorities, and other stakeholders involved in tourism and poverty issues. However, newly updated documents were requested by phone and email because I could not return to my study location. And officials who were responsible for keeping them agreed to do so because they had good relations with me during data collection. Information from mass media was also used to complement the other data including the *Cambodia Daily*, *Phnom Penh Post*, Radio Free Asia, Voice of America, Radio France International and Radio Australia (ABC).

I employed the abovementioned qualitative data collection methods to obtain comprehensive primary data. These techniques allowed research participants to speak their own words, expressing their concerns about tourism impacts and providing meanings based on their personal experiences and views. Employing various qualitative methods improved the validity and reliability of the data, as it enabled me to triangulate, compare and contrast data and views from different primary sources.

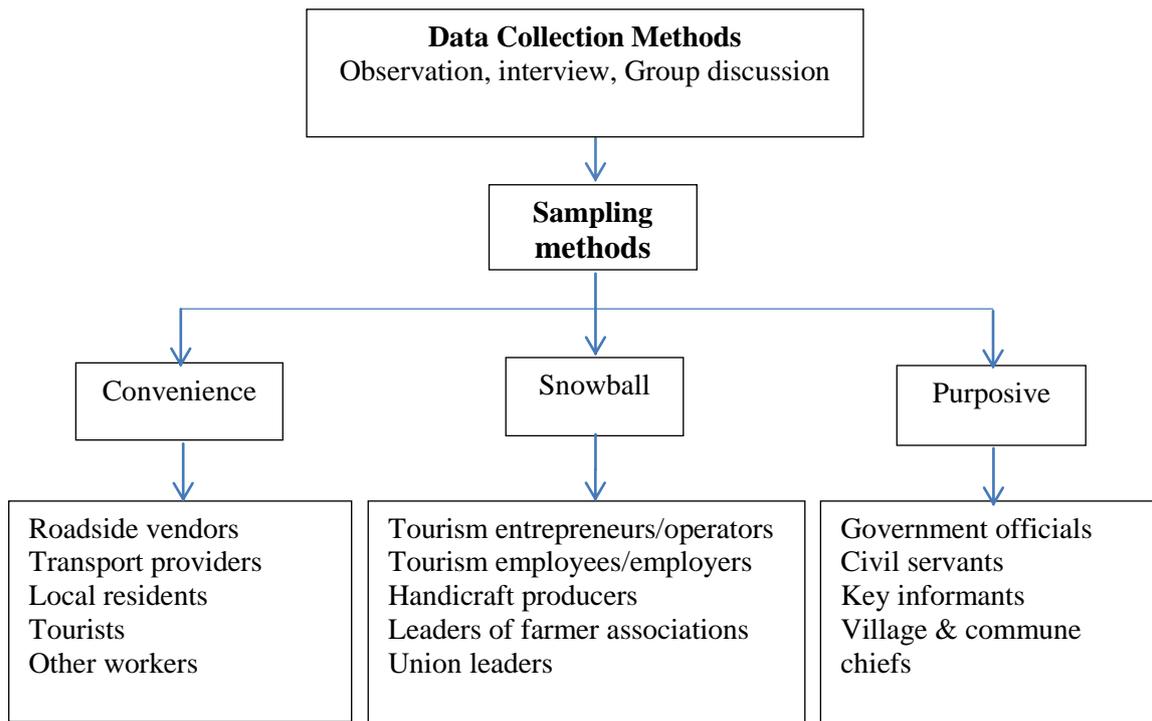
### 3.4.2. Sampling methods

Non-probability sampling was employed to select research participants. Those who worked in or were involved in the tourism value chain, such as transportation providers, road side vendors, service and entertainment providers, local residents employed in the Angkor Archeological Park and tourists were drawn through convenience/accidental sampling. Although this technique is “the least desirable” as it is “neither purposeful nor strategic” (Patton, 2002, p. 242), it is often used because “it enables quick collection of data without the expense of a more systematic selection process” (Jennings, 2010, p. 139). This sampling technique was the most appropriate for choosing these research participants because no sampling frame (list of people involved in the tourism value chain or the employed) exists. Retired civil servants, local authorities, such as village and commune chiefs, government officials and other key informants were selected through purposive sampling, while union leaders, tourism employees and employers, leaders of informal farmer associations, tourism entrepreneurs and operators were drawn through snowball sampling, consistent with suggestions by Jennings (2010).

Regarding gender balance in selecting the sample, most of my respondents involved with the tourism value chain and villagers are female. However, most key informants, such as government officials, commune and village chiefs, civil servants, and leaders of union and farmer associations, are male. I observed that Cambodian women are likely to talk about their businesses and daily livelihoods whereas men are likely to express their views on the impact of tourism and other general issues. The difference in perspectives is that women like focusing on household issues whereas men like expressing their perceptions on community issues.

**Table 3.1: Number of research participants**

Research participants	Number
Local residents, migrants and those involved in tourism value chains	60
Government officials and civil servants	20
Local authority (commune and village chiefs)	12
Informal farmer association and union leaders	6
Other key informants	4
Tourists	3
Total	105



**Figure 3.3: Primary data collection methods**

### 3.4.3. Observations

Observation is a data collection technique allowing me to understand the real situation in my study area. I used this method because I intended to immerse myself in local communities to “gain a deeper understanding” (Dawson, 2002, p. 37) about their livelihoods. An advantage is that this enables me to see the reality and the evidence obtained is useful in supplying extra information about the subject being investigated (Yin, 2009, 2013). Findings using this method can be used to complement my interviews (Truong, 2014a). Therefore, observation might prove to be an effective tool to observe the behaviours of the poor and explore how they are affected by poverty.

In this study, I conducted observations from March to May 2012 in specific places, such as popular temples, local markets, night markets and in villages. My main reason for using this technique was to explore local people’s livelihoods, such as farming, handicraft and business activities, examine the behaviour of tourists and local residents and gain insight into the level of poverty.

Although overt research was applied in this study, covert research was sometimes drawn on to supplement it. The reason to apply covert research, especially involving

participant observation in this study is that when people know that their behaviour is being studied or what are saying is being recorded, they might change their behaviour, or their comments, or how they were doing something, to ways which would be acceptable and not leave them open to criticism or possible exploitation. Real behaviour and factual information may be kept hidden from the researcher. Therefore, covert participant observation is suitable to a study location like Siem Reap where some locals were reluctant to say or reveal factual information. This method could also allow me to collect data and real information which could produce better research result because those whose actions and behaviour are being observed and/or comments needed are unaware and thus act 'normally'.

At archaeological heritage sites, I observed tourism and tourism-related business activities, such as entertainment, ticket selling, controlling and managing tourist activities run by private companies, electric cars operated by APSARA, road side vendor activities, the activities of policemen and of workers employed by APSARA and by private companies. I also observed interactions between service providers such as tourist guides, taxi and tuk-tuk drivers and tourists, and the activities of souvenir sellers, especially children and road side vendors at their stalls, as well as tourists' shopping activities. The main objective in observing these activities was to explore how local people accessed these tourism value chains and how tourists interacted with or responded to these vendors.

Information about tourism income is a sensitive issue which Cambodian politicians use to verbally attack each other, and that could be one reason for officials not revealing income details. Due to the unavailability of financial information about government budgets and how much tax was collected from hotels, restaurants and other tourism facilities in this destination for local development, I used observation as an alternative method to gain insight into the level or revenue that might have been spent on improving living standards and infrastructure in villages. Therefore, in study communes, I conducted observations to investigate how tourism contributed to basic infrastructure (e.g. running water, electricity, roads, schools, and health centres) and other local socioeconomic development. This method was supported by interviews with key informants discussed in the next section.

Moreover, I observed smallholding farming and visited vegetable farms operated by private companies to find out what kinds of vegetables and other agricultural products were grown in those areas, comparing those with lists of food consumed by tourists, provided by purchasing managers of hotels and restaurants. In the villages, I observed what kinds of livestock the farmers raised and what vegetables they had planted around their houses. I also observed other livelihood activities including handcraft workshops.

I conducted some observations at markets and popular tourist sites. At four local markets (i.e. Phsa Samaki, Phsa Leu, Phsa Kandal and Phsa Chas), I observed the agricultural products sold there, the situation of local people's businesses and tourists' shopping activities. At Phsa Samaki and Phsa Leu, from 2am to 5am, I observed the activities of local farmers and wholesalers selling their agricultural products, and noted that many products arrived from other provinces and neighbouring countries. Later in the day, at Phsa Kandal and Phsa Chas, I observed tourists' shopping activities to find out what kinds of fruit and goods (local or imported products) they bought. At several night markets, from 7pm to 11pm, besides observing tourists' shopping activities and sellers' activities, I observed what kind of goods and souvenirs had been made locally or were imported from other countries. I also observed an informal night market (Angkor Pchungyou), located on unused public land, where local sellers have to pay a negotiated fee to the local authority to secure open space to sell goods and food. Tourists also visited that night market. At popular tourist sites I observed entertainment activities at restaurants, karaoke and other bars, nightclubs and massage parlours on sidewalks. During these observations, I also talked with some people, and asked them if they were prepared to be interviewed when they were available.

#### 3.4.4. Interviews

Interviews are the most effective data collection method for case studies because they can supply a variety of information (Gillham, 2000; Yin, 2013). They are used to gather information related to experiences and perspectives of people in most case study research focusing on human affairs (Yin, 2013) and interviews are suitable for exploring "how" and "why" (Yin, 2003). In this study, I conducted both semi-structured and in-depth interviews at interviewees' offices, houses and restaurants from March to May 2012. In-depth interviews, sometimes called "life history interviews", were used to

“achieve a holistic understanding” of local people’s point of view (Dawson, 2002, p. 27) and their livelihood stories in the tourism value chain. Prior to research interviews, a pilot interview was conducted with three interviewees to test the framework, ensuring that all questions were answerable to achieve desired outcomes (Creswell, 2013). Some questions were revised, based on the feedback from pilot interviews. These helped to ensure the clarity and validity of the questions used during the interview process.

The interview schedules were flexible and depended on the availability of each participant. Before I started interviewing, I used informal conversations with simple warm-up questions to create a friendly, relaxed atmosphere with my informants. I also informed them they had the right not to answer my questions, if they did not want to, and/or to stop the interview at any time. I guaranteed their names would not appear in my thesis or any other written documents.

As mentioned above, I employed this method because I wanted to learn about the perceptions of government officials and other key informants, and also to explore the experiences of local residents regarding the contribution of tourism to poverty alleviation. An advantage of this method is that it allowed research participants to voice their concerns and thoughts, enabling me to understand the obstacles preventing the participation of the local community in the tourism value chain, the barriers to poverty alleviation as well as opportunities for them to gain economic benefits from tourism growth. Some respondents involved in the tourism value chain were eager to tell me about their businesses, livelihoods and barriers preventing them from earning more income from tourism.

During interviews, informants were encouraged to express their views and share their perceptions on the tourism situation, poverty, tourism’s contribution to poverty reduction, the impact of tourism, barriers to and opportunities for local people to gain economic benefits from tourism, and their views on appropriate solutions or actions to be taken so that local residents could benefit from tourism. To obtain a better understanding of these issues, although probing questions had been prepared in advance, some clarifying questions were used to follow up on what each informant had said. Notes were taken during interviews to record interesting issues. With interviewees’ verbal consent, some interviews were recorded using a digital voice recorder.

#### 3.4.5. Focus group discussions

In this study, focus group discussions were used to gain respondents' perceptions, impressions and thoughts on how tourism impacted their livelihoods and poverty reduction of local residents. Three focus group discussions were conducted with civil servants, retired people and interested local residents. Each group consisted of seven people. The venue and time for focus group discussion was carefully chosen to avoid interruption. Both first and second groups took place in the closed room of a Cambodian traditional restaurant between 2pm to 4pm and the third group took place in the house of a villager. The first group comprised three women and four men, aged 40-55 years. The second group was all men aged 50-65 years, and the third group comprised three women and four men, aged 35-45 years. Socioeconomic status and similar age of participants can ensure free dialogue, discussion and group interaction among participants (Manderson et al., 2006; Morgan, 1997).

It was difficult to recruit female participants who are always busy with housework and did not want to talk openly in group discussions. Before discussion commenced, I informed participants about ethical issues such as confidentiality and privacy, discussion rules and my role as facilitator. I requested research participants to approve the rule of discussion to ensure that all participants were respected. For instance, discussion should start from one participant to another participant in turn and participants should not interrupt while another participant is speaking. I also suggested that each participant say what they want to share within the group without fear. However, although I had facilitated some workshops in the past, it was still a challenge to deal with talkative participants and some participants still disobeyed the rule. To ensure that all participants had a chance to speak and contribute so that no person dominated the discussion (Dawson, 2002), I sometimes interrupted talkative people by praising what they had said and took the opportunity to invite other participants to express their views. Silent and quieter members of the group were encouraged to talk by asking them to approve or disapprove of other participants' ideas.

During discussions, participants identified opportunities and constraints facing local residents who were employed in tourism and tourism-related activities, provide services or sell products to tourists, who create or run tourism businesses or tourism-related

activities as well as the contribution of tourism to poverty alleviation. They were allowed to freely express their views toward tourism development and poverty in study communes and the impact of tourism on local residents' livelihoods. They were asked to identify what kind of government intervention and support local residents' need, for them to gain economic benefits from tourism growth and in turn alleviate poverty.

In addition to these group discussions, I joined a meeting with leaders of farmer associations to discuss constraints and opportunities facing farmers to produce agricultural products and/or supply tourism markets. After the meeting I invited them to have dinner with me. This gave me additional time to make informal conversation with them. During my stay in Siem Reap, I often invited village chiefs, civil servants and retired people to have dinner together and we also talked more about issues raised in group discussion. Although the way I coordinated and discussed issues with them was different from how I facilitated group discussion, the outcomes were similar and the atmosphere was relaxed and friendly. As a result, this method allowed me to build good relationships with my research participants.

#### 3.4.6. Informal conversations

During my observations at the Angkor Archaeological Park, night markets, local markets and study communes, I had many informal conversations with local residents and tourists to supplement information collected from interviews and focus group discussions. These respondents included roadside vendors, transportation service providers, souvenir sellers, temple guards, foreign and domestic tourists, park cleaners in the Angkor complex, vegetable sellers, farmers and villagers. These conversations also enabled me to better understand the real situation of their livelihoods, working conditions, earning capacity and challenges as well as phenomena I observed. I talked with villagers about their farming, basic infrastructure, livelihoods and poverty, and with those involved in the tourism value chain, about their employment and businesses.

Information from these conversations was used to verify detailed information obtained from interviews and focus group discussions. Although my data collection was over and I came back to Australia, I often made informal conversation with key informants, such as village chiefs, leaders of farmer associations, handicraft workshop owners, hotel and guesthouse owners and government officials, by phone to update information and

follow up on tourism trends in my study area. These conversations not only enabled me to update my writing, but also strengthened my relationship with research participants.

### **3.5. Data analysis**

In this study, narrative analysis was applied to analyse qualitative data. Narrative analysis which “focuses on stories told by participants” and “gives insight into how individuals structure communication for effect and how they construct meaning from their life experiences” (Grbich, 2013, pp. 216-217) was used to analyse qualitative data collected, using a range of abovementioned data collection. Creswell (2007) concludes that common elements of this analysis are collecting, retelling the stories, and rewriting stories of participants’ personal experiences. The purpose of applying this analytical technique is that this study intends to present local people’s stories, their thoughts and experiences.

Most research in Cambodia is conducted by outsiders and data analysis relied upon the etic perspective. However, the uniqueness of this study was based on the emic paradigm because its result was analysed and interpreted from a local researcher who could collect data and more information regarding local perspective toward tourism development and poverty reduction. As a result, local people’s voices, experiences, stories, events, behaviour and local knowledge were presented and interpreted from the emic perspective and the judgments are made based on the values held by the local researcher.

During my data collection, the way respondents related their livelihoods, experiences and perceptions toward tourism development and poverty reduction are interesting, significant and persuasive. Their perspectives and the words they used motivated me to analyse data in a way that allows their stories to be heard in this thesis. Therefore, data was analysed by providing a comprehensive description of stories related by local people by including many interesting quotes. After data collection, I transcribed interviews and reviewed qualitative data to ensure accuracy of content (Creswell, 2013). However, although I worked on the interview transcripts, only certain excerpts were translated into English, because translating all information related by respondents from Khmer into English would have taken too much time. The reason I took this approach is that only some data was needed to answer my research questions and some respondents

told me irrelevant and unnecessary information. According to Patton (2002, p. 432), the process of qualitative data analyses and transforming this data into findings “involves reducing the volume of raw information, shifting trivia from significance, identifying significant patterns, and constructing a framework for communicating the essence of what the data reveal.” Moreover, because I am not an English native user, it was not possible to translate exactly the original meaning of data from Khmer language into English.

NVivo software (version 9), which is an effective computer program, was helpful to manage and retrieve data (Bazeley & Jackson, 2013). This software was used to store, display and analyse data because it is impractical to deal with large volumes of data manually. However, although this software was used, I always printed out and read each transcript to identify good quotes, themes and grouped them into categories, because this process enabled me to relax my eyes from the computer screen.

To verify quotes in these transcripts, I sometimes contacted my respondents by phone to make sure that what they told me was correct. Moreover, although it is the popular software for qualitative researchers, NVivo cannot decide, for the researcher, what to seek or explain what the data means (Marshall, 2011); and it is the task and capacity of the researcher to decide what to do with data and what meanings are drawn (Mkiramweni, 2014). NVivo software helped me organise the data, but did not help me to explain or interpret meaning. Stake (1995, p. 19) claims that “good research is not about good methods,” but it is “about good thinking.” And Miles, Huberman, and Saldaña (2014, p. 104) explain that “good thinking means to look for and find patterns in the data...to construct substantial categories from an array of codes...to transcend the localness of a particular case to find its generalizability and transferability to other contexts.” Dawson (2002, p. 110) claims that “qualitative data analysis is a very personal process” and if different researchers analyse a specific transcript, “they will come up with different results.” This is why I did not depend heavily on this software for data analysis.

### **3.6. Tourism value chain analysis**

Tourism value chain analysis (TVCA), increasingly used in tourism and poverty reduction studies (Ashley, 2006a, 2006b; Ashley, Goodwin, & McNab, 2005; Hummel

et al., 2013; Mitchell, 2012; Mitchell & Faal, 2006; Mitchell & Phuc, 2007; Thomas, 2014), was applied in this study. As discussed in literature review, TVCA is an appropriate analysis tool because it could be used to examine all relevant economic activities in the local economy which links to the tourism sector, and identify constraints and opportunities of local residents to participate in tourism employment and businesses. It has been applied in pro-poor tourism studies to analyse the contribution of tourism to livelihood improvement and poverty reduction in many tourist destinations in developing countries, and to diagnose the impact of tourism in poverty alleviation and livelihood improvement of host communities.

Although it is increasingly used in investigating the contribution of tourism to poverty reduction; most studies tend only to analyse economic benefits from tourism development through employment, handicrafts and souvenir selling to tourists and investigate only some components of the tourism value chain, not all of them. In this study, I expanded this scale by adapting TVCA to explore other economic sectors, such as the ability of local farmers to provide agricultural products to tourism markets and the capacity of local people to provide other support services to the tourism sector, such as transportation, maintenance and other tourism-related employment, and measure the linkages between tourism and other economic activities in the study area. Ultimately, all components of the tourism value chain (Figure 2. 1, chapter 2) and livelihood activities of local communities were examined to draw conclusions as to whether or not tourism growth in Siem Reap contributed to poverty alleviation.

According to Mitchell (2012, p. 470), TVCA is structured in three phases: “diagnosis of current situation, project opportunities, prioritisation and feasibility and project planning”. There are nine steps for this approach. They include “preparation, map the big picture, map where the poor do, and do not participate, conduct fieldwork interviews in each node of the chain, track revenue flows and pro-poor income, identify where in the tourism value chain to seek change, analyse blockages and options in the nodes selected, to generate a long list of possible interventions, prioritise projects on the basis of their impact and feasibility, and intervention feasibility and planning” (Mitchell (2012, p.471).

According to Harrison, Sofield & Pratt (2015, p. 20), TVCA used “more human resources, time and money, and such limitation has militated against a full TVCA” for Siem Reap Angkor. Therefore, not all nine steps were applied in this study in detail. Some steps were excluded, such as track revenue flows and pro-poor income, generate a long list of possible interventions, prioritise projects on the basis of their impact, and intervention feasibility and planning. Furthermore, this study did not involve mapping and measuring the economic value of the stages in the supply chain of goods and services, nor it did involve an overall mapping showing where the poor are in terms of tourism supply and demand. However, through qualitative methods, it sought information on income earnings in the selected tourism value chains. Importantly, this study identified impediments and obstacles preventing poor people from participating in the chain. When they were involved in the chain, this study identified their opportunities from increasing their earnings sufficiently to lift them out of poverty.

Moreover, TVCA has not been used as a major research tool in this PhD project. It is simply descriptive and some of each step was applied via a modified approach in the context of tourism nodes at Siem Reap Angkor region. It is only utilized as a supplement method in conjunction with above mentioned major qualitative-oriented methods to identify constraints and opportunities of local people to be involved in tourism value chain.

### **3.7. Concluding remarks**

This chapter has described the methodological approach to this research. It justified a qualitative approach in this study as being the most appropriate, because qualitative research could be used to explore and understand the meaningful experiences of individuals or groups, provide deep insight on specific issues and real live experiences and perceptions of study communities, and enable research participants to express their views on certain issues in the place where they live.

This study adopted a case study approach to explore real-life situations and phenomenon in depth. Qualitative research is suited to this study because this approach enables research participants to express their views on tourism and poverty, their concerns on the impact of tourism as well as their experiences and livelihood stories. Furthermore, because this study is concerned with primary qualitative data (rather than

secondary data compiled by government agencies) and intends to present people's views and stories (rather than providing statistical significance), a qualitative case study is considered most appropriate for this study. Qualitative data collection methods (e.g. observation, interview, focus group discussion and informal conversation) employed in this study could help to gain deeper insight into the experiences and perceptions of the local people being investigated, their attitudes and behaviours, and opportunities and constraints they face in participating in tourism employment and businesses.

## **CHAPTER 4: CAMBODIAN TOURISM AND TOURISM DEVELOPMENT IN THE SIEM REAP-ANGKOR REGION**

*We should not be proud of the increasing numbers of foreign tourists. What we should consider is how tourists' expenditure flows to the local and national economy during their stay in our country.*

A high school teacher living in Siem Reap town

### **4.1. Introduction**

This chapter discusses Cambodian tourism, in general, and tourism development in the Siem Reap-Angkor region, in particular. Firstly, Cambodian tourism trends, its contribution to the Cambodian economy, the RGC's commitment to tourism benefit sharing and economic leakage in this sector are reviewed. Secondly, tourism development in the Siem Reap-Angkor region, government tourism policy and strategy, government's commitment and determination to conserve cultural heritage and improve the livelihoods of the local population and the reactions of the local community to policy implementation in the Angkor Archaeological Park are discussed.

Local residents and government officials were my key informants for this chapter. I conducted interviews with officials, retired civil servants, teachers, village chiefs, tour guides and other local people to learn about their perceptions toward tourism growth, the consequences of that growth and how tourism benefits the local population. Government documents and the mass media have been sourced to support or undermine some of the statements raised by key informants. The research questions I raise in this chapter are: *What is the current tourism situation? Who are the beneficiaries and victims of tourism growth? Does tourism's revenue contribute fairly to the local population?*

### **4.2. Cambodian tourism**

#### **4.2.1. Trends in Cambodian tourism**

Between 1998 and 2013, the tourism sector saw an annual average growth of 21.1%, with total visitor arrivals reaching 4,210,165 in 2013 (CMT, 2013). International visitor

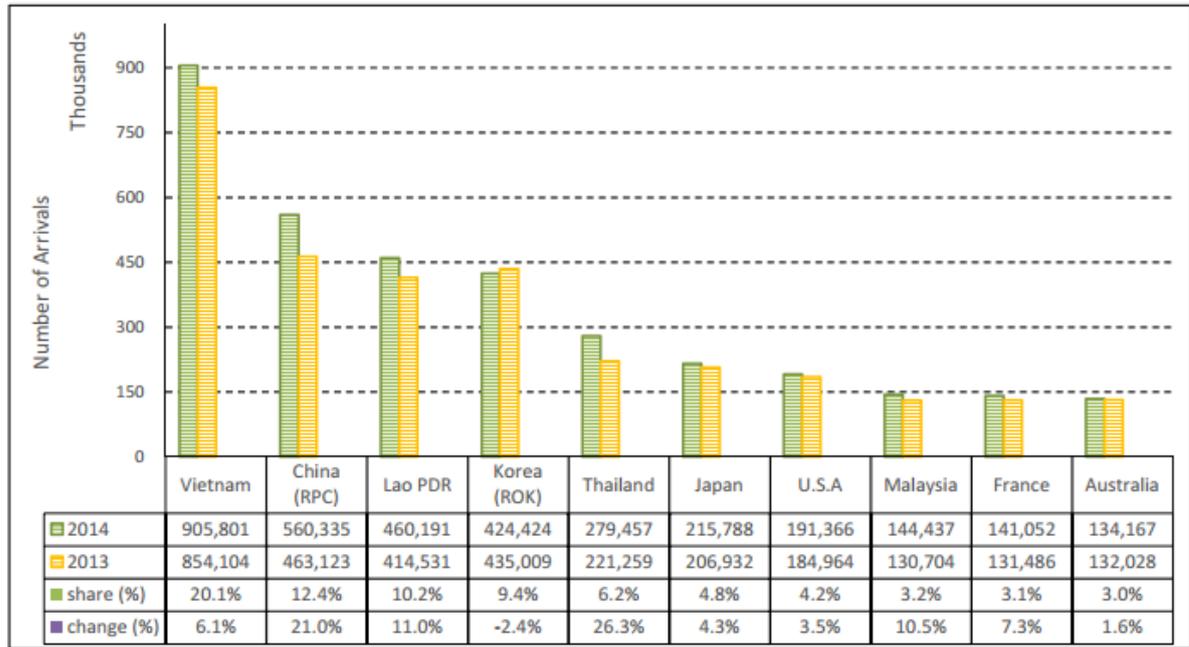
arrivals to Cambodia have grown significantly over the last 2 decades. In 2014, the number of arrivals reached 4.5 million, representing a 7 % growth over 2013, compared to a 17.5% growth over 2013 (CMT, 2015).

This substantial growth since 1998 has been aided by Cambodia's climate of peace and political stability and by tourism policies, especially the Open Sky Policy adopted in 1998, which allows foreign airlines to fly directly from their countries to Siem Reap. Establishing these direct flights from a number of regions has led to a higher year on year growth of visitor arrivals by air (CMP, 2013; World Bank, 2013). Successful diversification of tourism markets – in the form of attracting arrivals from Eastern Europe, East Asia and the Pacific region – has also led to continuing rapid growth in the Cambodian tourism sector (CMP, 2013; World Bank, 2013).

However, who benefits from such rapid growth is a key question that many informants raised. While government officials declared that tourism growth has contributed to poverty reduction, because livelihoods of local communities living near popular tourist sites have improved and household income has increased, some critics said that a very high percentage of tourism-related revenue has not gone to local people. They claimed that although tourism revenue has increased in recent years, there is economic leakage through foreign purchases and foreign domination of tourism and related businesses. More views about this issue are given in section 4.4

#### 4.2.2. Tourism generating regions

Based on tourism statistics compiled by CMT (2014), the top ten tourism markets in Cambodia in 2014 were: Vietnam; Peoples Republic of China; Lao; Republic of Korea; Thailand; Japan; the United States of America; Malaysia; France; and Australia. Vietnam, the top market source for Cambodia in 2014, provided 20.1% of the total number of visitors. This was followed by the Peoples Republic of China (12.4%), Lao PDR (10.2%), the Republic of Korea (9.4%), Thailand (6.2 %), Japan (4.8%), the United States of America (4.2%), Malaysia (3.2%), France (3.1 %) and Australia (3%). At 77.7 %, the highest proportion of tourists came from Asia and the Pacific, followed by Europe (15.7%) and Americas (6.1%). The largest increase in tourism numbers was from Asia and the Pacific (+8.3%), followed by the Americas (+5.1%) and Europe (+1.5%) (CMT, 2014).



**Figure 4.1: Top ten tourism markets in 2014**

In 2014, the average stay of international tourists in Cambodia was 6.50 days. The majority of international arrivals come to Cambodia on holidays. In 2014, visits were: 4,255,231 arrivals for leisure and holiday, 205,667 for business and only 41,877 for other purposes. In 2014, 45.8 % of international visitors arrived at Siem Reap, and 41.9 arrived at Phnom Penh and the rest arriving at other destinations such as Sihanouk city, Svay Rieng (CMT, 2014).

#### 4.2.3. Tourism's contribution to the Cambodian economy

The Cambodian tourism industry is playing a significant role in the Cambodian economy (CMT, 2013). Rapid growth in the tourism sector has resulted in transport, trade, hotel and restaurant subsectors making up more than 15% to the total real growth over two years from 2010 to 2012 (World Bank, 2013). Tourism is one of three sectors along with agriculture and garment manufacture that are seen as engines accelerating Cambodia's economic growth (CMP, 2013; CMT, 2012; World Bank, 2013). According to CMT, tourism improves people's livelihood and reduces poverty through income generation. It also accelerates Cambodian economic growth through the inflow of foreign currency into the local economy, which helps to diversify economic activities, create jobs, increase incomes, improve GDP and alleviate poverty (CMT, 2012). In 2013, Cambodia received USD 2,547 million in tourism revenue, representing an increase of 15.25% on 2012 (CMT, 2013).

### 4.3. Government's commitment to tourism profit sharing

In response to the rapid growth of tourism, the main vision of the RGC is to develop tourism in a responsible and sustainable way, to ensure tourism revenue can contribute to socioeconomic development, job creation and poverty reduction. One of the main aims of the tourism strategy is to attract international tourists to Cambodia, so that tourism can contribute to poverty reduction (CMT, 2012). To achieve this goal and facilitate the distribution of tourism benefits to all stakeholders, including local people, the RGC has pledged to implement five principles, as follows:

1. Commitment to a free market to encourage tourism activities.
2. Formulating a comprehensive policy on tourism development, particularly the open sky policy, so as to facilitate tourism.
3. Enhancing cooperation between the government, private sector and development partners in order to further accomplish the stated policy of tourism development.
4. Encouraging, facilitating and supporting tourism development activities of people, particularly in local communities in tourist destinations, to ensure sustainable tourism development, protection and benefits in the form of new jobs, decreased migration and poverty alleviation.
5. Intensifying law enforcement based on a legal framework, in order to protect legitimate tourism benefits for all stakeholders and ensure quality tourism development in a responsible and sustainable manner.

(CMT, 2012, p. 4)

Reacting to this policy, a 40-year-old respondent working for the Siem Reap education department told me “*I noticed that policies and laws are always on the tables of officials only.*” Officially, it is claimed that tourism benefits have been distributed equally to local people living in the area. However, several of my respondents disputed this claim. For example, a public official working in the ministry of tourism admitted that tourism benefits have not contributed equally to all stakeholders in the local community. According to this respondent, a handful of government officials who own luxury hotels, flats and houses in this tourism destination and those who are supported by powerful officials to run tourism or related businesses receive a high proportion of the tourism income.

Some respondents (both landlords and tenants) informed me that those who rent buildings, shops, flats and land to run tourism and related businesses almost always fail because they have to pay high rents to the real estate owners. A 40-year-old respondent who rented a building at a popular tourist site to run a restaurant told me that the income he received is not sufficient to pay the rent. He said

*I could earn some profit in the peak tourist season from November to February, but in the off-peak season, there were only a few customers. So, what I earned was not enough to pay rent. Ultimately, I stopped renting this building and moved my business to another location. Now, most of my customers are local people, not foreign tourists.*

This claim was confirmed by a few landlords whose real estate frequently changes tenants. A 60-year-old landlord told me his tenants cannot afford the rent, and he sometimes has to reduce rent, or accept delayed payments. And some tenants cannot pay their rent because their businesses are unsuccessful.

Some respondents told me about some businessmen and a politician who got licenses or contracts to collect entrance fees from tourists visiting the Angkor complex, the Tonle Sap Lake and Kulen mountain. For instance, a powerful businessman who received a license from the government to operate three attractive tourist sites and for another businessman to sell entrance tickets to tourists visiting the Tonle Sap Lake. They were identified by many key respondents living in Siem Reap town as the real beneficiaries of tourism growth. A civil servant working in Siem Reap told me that without support or cooperation with high ranking government officials, it is difficult to obtain a license to run profitable tourism businesses, contracts to rent state property or build basic infrastructure.

This was confirmed by a retired civil servant who claimed that tourism development in Siem Reap made a few privileged people millionaires in a short period of time, because they have more opportunities to gain more tourism economic benefits (e.g. through managing state property in Siem Reap town). This respondent also told me that some officials become millionaires from the sale of public property. Some former directors of government departments in this province own one or two luxury hotels. He said that

*after the Khmer Rouge regime collapsed, all civil servants in this province had similar living standards. However, the gap between rich and poor began to increase when more tourists came to this region, a result of the country's change from a socialist to a free market. Some powerful officials sold state properties for low prices to those who had close relationships*

*with them or transferred state land and buildings to themselves. This made them rich in a short period of time. Although tourism should not be blamed to be the main factor for this, it is a catalyst for increasing inequality in this town.*

Many people living in the Siem Reap-Angkor region have told me that tourism cannot reduce poverty in their villages. A 50-year-old female villager living in Nokor Thom commune claimed that “*government officials always told us that tourism will reduce poverty in our village, but most of us are still poor. Nothing has changed in our village since more tourists have been coming to this region*”. This claim was supported by a village chief near Ta Prohm temple, who told me that most households in his village are still poor, although they live close to this famous temple. He said that “*although some households are souvenir producers, most of the villagers do not get jobs in tourism. We also have no ability to run tourism and related businesses*”. The Global Heritage Fund (GHF) report also revealed that those living in the vicinity of the Angkor complex do not benefit from the tourism boom, due to exclusive concessions of privileged companies and many tourism businesses are foreign owned. This makes it difficult for local residents to benefit from tourism (FGH, 2010; *The Phnom Penh Post*, 2010)

There was a sad report written by Spanish journalist, Omar Havana, who wanted to inform the world that although some people have gained economic benefits from tourism growth, there is a forgotten community living in Siem Reap town. The reason I present his article here is to illustrate from another source what many respondents perceived about tourism development in Siem Reap, tourism profit sharing among local communities and forgotten people’s poverty. This story can raise awareness by Cambodian policy makers and tourists about the negative side of tourism.

Omar Havana’s story and pictures illustrate that tourism growth in Siem Reap is not only a waste producer, but also an industry separating this popular tourist destination into two different worlds: the world of the privileged and the world of the marginalised, forgotten local community. Based on his photos, these forgotten people live, sleep and drink the water collected from the pool in the rubbish dump, and eat leftover food from the tourism industry. The sad story is that the spoiled food from hotels and restaurants becomes delicious food for poor children.

#### **Box 4.1: Rubbish dump: shopping place of forgotten community**

About 30 km from the famous Angkor temples, a large quantity of waste produced by tourists was dumped in open landfill on the outskirts of Siem Reap. A Spanish photojournalist, who spent seven months with a poor community consisting of about 500 people, became their close friend. He documented their daily lives, and shared his photos and stories with ABC News Online:

“That community lives and survives in the rubbish dump where the rubbish was coming from Siem Reap city, where there are many restaurants and hotels including a few that have rooms for over \$1,500 a night. Basically the dump is that community’s shopping centre. Everything they need to survive comes from that dump. Children always tell me that they are lucky if they find bananas because they are clean under the skin. One day a little boy carrying a bag of blood asked me why the people in my country never smile. I didn’t know what to answer. While the boy looked at the blood he was carrying as a treasure to eat, he explained to me that he smiles all the time, he is lucky. Today he is going to eat this and tomorrow he will see the sun again. With 34 per cent of the total population living on less than \$1 a day, those living in the dumps, at least they can find food. They earn about 35 cents per day for 14 hours’ work” (Simmons, 2011)

After taking many photos of the community’s life, Omar Havana called Cambodia the “Forgotten World”. He said “they deserve to be known, they deserve to have a voice”. Although this photojournalist does not think that his photos can change the world, he believes they can change minds and touch hearts of people, especially the tourists. That is why he is a photographer ... “to give a voice to those in silence.” Moreover, in order to raise the awareness of tourists about responsible tourism, his message to foreign tourists is that

“The sadness and the tears come after, when you are in your hotel room surrounded by material things and you don’t see the smiles and the faces of the people living there [rubbish dump ] come to your memory – that is when the sadness invades you.”

Source: ABC 2011

Therefore, based on the perceptions of many respondents and the GHF report, although tourism revenue has increased sharply in recent years, helping to accelerate economic growth, the main tourism beneficiaries continue to be those who have good connections with government officials and those who own real estate in popular destinations. A few respondents claimed that although tourism growth has not reduced poverty by more equal distribution of benefits, it also appears to have encouraged corruption. Income

inequality between those who own real estate and/or have good relationships with high ranking officials and those who lack livelihood assets has widened. No doubt this will lead to social conflict between rich and poor if economic benefits from tourism cannot be distributed more equally. As noted by Carbone (2005), tourism development could worsen social cohesion through inequality in the distribution of benefits.

#### **4.4. Economic leakage in Cambodian tourism**

Although officials responsible for tourism are proud of tourism revenue increases, the Cambodian Ministry of Tourism notes that

there was approximately 25% leakage in tourism revenue, mostly through foreign importation and supply of goods for the growing tourism industry. This leakage can be undermined through availability of domestic supply of goods and services such as vegetable, fruits, furniture, labour and Cambodian expertise (CMT, 2012, p. 3).

No evidence is available to show whether this percentage is correct, even though this government agency claimed this percentage is based on research. However, the statement indicates that most of the products used in the tourism sector were imported and local farmers have only a limited ability to supply food products to tourists. Most souvenir products sold at tourist sites are also imported, although some branded products are labelled as produced in the country. Lack of local production and qualified human resources have encouraged the leakage. The Cambodian prime minister, deputy prime minister and minister of tourism have all commented in public about this percentage and the leakage issue. However, my respondents who monitor this sector have found that the actual leakage is higher than this official percentage. A public service respondent recommended that the leakage problem can be solved if government institutions and private sectors work together to support local producers. Small and medium enterprises (SMEs) and local farmers should be encouraged to produce more in order to reduce consumption of imported products.

Moreover, some critics claimed that despite Cambodian tourism growth, the local people gain little profit from this sector because the tourism industry has been regulated in a way that prevents the inflow of tourist spending from benefiting the local population. The airlines, most luxury hotels and big restaurants, and bus companies ferrying tourists from neighbouring countries are not operated by Cambodian

companies. These informants claimed that the high concentration of tourism or related businesses and concessions given to foreign owners in the most popular tourist destinations in Cambodia have led to substantial economic leakage. For instance, while a critic said that the Angkor complex and other popular tourist sites have been controlled or operated by private companies, which gain a large proportion of tourism revenue, another critic claimed that airlines and most tour agents are foreign entities, and some hotels and restaurants are operated or owned by foreigners. A respondent working for one 5-star hotel in Siem Reap said that hotel employees are paid low wages while tourists staying in that hotel are charged inflated prices. This was confirmed by an official who admitted that most employees working in the tourism industry receive low wages and do not gain much from the increasing number of tourists.

Another critic said that Asian visitors – the large majority of tourists to Cambodia – spend their money on services provided by their national companies. Almost every dollar those tourists spend on their tour flows into the hands of the companies linked to their own countries. Only a small proportion goes to the local population and the entry fee collected from tourists also does not go to local people. This was confirmed by an official in the CMT, who claimed that Chinese, Vietnamese, Korean and other Asian tourists come to Cambodia in package tours organised by tour companies in their home countries. He went on to say that Cambodia receives less economic benefit from these tourists because these companies absorb most of their spending. This means that tourism growth in Cambodia has mostly benefited companies in tourists' home countries instead of the Cambodian population.

I was often told that foreigners living in Siem Reap manage their tourism businesses such as hotels, restaurants and entertainment clubs owned by companies in their home countries. This was confirmed by the executive director of the GHF, who claimed that the concentration of foreign-owned big restaurants and luxury hotels in Siem Reap has led to economic leakage (*The Phnom Penh Post*, 2010). As a result, local people are overwhelmingly poor and Siem Reap remains one of the poorest provinces in Cambodia. This indicates that the local population is not the beneficiary of this tourism growth. As informed by a respondent living in Siem Reap, the livelihoods of local residents have not improved from the increasing number of tourists because most tourist expenditure goes back to the countries of origin.

However, although some informants (local people, officials) and high ranking government officials recognised there has been economic leakage in tourism sector, a tourism expert differentiated “leakage” and “opportunity costs”. He claims that although some products and many of the consumables (such as furniture and fittings, cars, generators, air conditioners, light fittings, cutlery, processed foods and beverages, and so on ) have been imported to supply the tourism sector, these are “opportunity costs” not “leakage”.

He explained that Cambodia cannot manufacture such products and cannot produce cool temperate fruit and vegetables, so importing these products is not leakage. Regarding this issue, he provided other examples to support his claim. The first one is that it is also an “opportunity cost” when local chefs were not trained to substitute locally available products (e.g. sweet potatoes and yam for potatoes) for many such products. Another example of opportunity cost is qualified human resources. Many senior staff are foreign nationals because of the lack of senior Cambodian executives who are able to converse in Korean or Chinese or another required foreign language. Therefore, capacity building in tourism sector is needed to address this issue.

Moreover, although a proportion of tourism revenue is still retained in Cambodia, many informants claim that income distribution among the poor and the rich was widened. While few benefits have flowed to local population, especially the poor, without targeted initiatives, sums of tourism revenue has found their way into the Cambodian elite who are the main beneficiaries of tourism growth. As a result, inequality has occurred in this destination.

When I discussed solutions to the economic leakage problem, opportunity cost and inequality with government officials and respondents in the private sector, their response was that although actions to address this leakage have been proposed, no measures have so far been taken.

#### **4.5. Tourism development in the Siem Reap-Angkor region: cost and benefit**

The Siem Reap province, which has become a world cultural tourism destination, is very famous for its archaeological, historical and cultural sites, including ancient temples dating from the eighth to the thirteenth centuries. Because of its uniquely rich

historic and cultural heritage, containing over 40 principal monuments and hundreds of archaeological sites, the Siem Reap-Angkor region is the most attractive tourism destination in Cambodia (APSARA, 2007), leading to significant growth in tourism. The number of international visitors increased from 681,797 in 2005 to 1,610,076 in 2011, and domestic tourists from 509,520 to 1,701,350 during the same period (SRPDT, 2012).

In response to this rapid growth, some basic infrastructure has developed to meet tourist demand. Physical infrastructure and associated industries have expanded significantly. For example, Siem Reap-Angkor International Airport was rebuilt in 2003 and it has become the main gateway for international tourists to Siem Reap. Foreign airlines connect Siem Reap to various cities in Asia. Many roads, connecting to other provinces, to the capital and to most of the temples, have been renovated. However, many respondents told me that road conditions in their villages have not been improved.

According to a public servant working in Siem Reap, although the international community and foreign countries have provided funds to conserve and develop this region, the RGC needs to do more than it has done so far to improve this tourist destination. A vast amount of money had been borrowed from foreign governments to build roads and other basic infrastructure as well as to improve the appearance of the city to meet tourist demands. According to the mass media, 16 countries, and 28 international organisations have supported the RGC to restore the Angkor archaeological site. For instance, a loan of USD 40 million from the Korean government has been used to clean up the Siem Reap River and for the construction of a new ring road surrounding the Angkor Archaeological Park. The road will reduce traffic congestion in the Angkor complex and improve access to nearby stone temples (*The Phnom Penh Post*, 2009, 2010).

In addition, private companies have also played an important role in speeding up this progress. Bus companies operate services from destinations in Siem Reap province to other cities within Cambodia, and with foreign cities such as Ho Chi Minh City and Bangkok. Telecommunication companies have expanded their networks to meet demand from tourists. Banks and microfinance institutions have expanded their

operations in Siem Reap, providing loans to investors and local people who run tourism and related businesses in response to tourism growth.

Reacting to rapid tourism development in this region, local residents have expressed both positive and negative perceptions. A respondent working for the Siem Reap tourism department, for example, stated that tourism development in Siem Reap provides employment opportunities for local people, especially poor people who live on the periphery of the Angkor complex and this boosts the economy both nationally and locally, through spending by tourists and investment in tourist facilities. He maintained that community stability has improved by enabling people to stay in their communities rather than having to migrate to Thailand and other countries to find employment. Another public servant perceived that tourism development in Siem Reap has built community pride, because some international tourists are interested in the community's culture and way of life. A 60-year-old man who sold handicraft products and lived in Nokor Thom commune claimed tourism development has enhanced a sense of identity, through the revival of and support for handicraft production. He told me that tourism provides him with an opportunity to transfer his sculptural skills, learned from his parents, to his children to help them earn their living.

However, another civil servant respondent pointed out certain negative impacts of tourism in Siem Reap, such as increased living costs, high prices for land, housing, goods and services as well as environmental issues, including rubbish and excessive water usage. He added that tourism development in this city has put more pressure on ordinary civil servants and local residents whose livelihoods are not involved with tourism businesses or jobs. Moreover, a university lecturer also spoke to me of such negative impacts of tourism in Siem Reap as increased social problems including: crime and prostitution; changes in the character of communities in the Siem Reap region through inappropriate building construction; displacement of traditional residents to make way for tourism development; and an increase in social disparities in terms of benefit sharing. Another respondent, who works for the Siem Reap Water Resource Department expressed his concern about the degradation of water quality, destruction of natural ecosystems in Tonle Sap Lake and the depletion of ground water resources. Similarly, a respondent working in the Siem Reap Environment Department expressed his concern about rapidly growing tourist numbers in this province. He said

*what we have got from this growth are traffic congestion, pollution, solid waste, and changes to the provincial landscape because of improper planning for hotel and guesthouse construction. Poor drainage systems and sewage from hotels will pollute the Tonle Sap Lake in the near future if no urgent remedial actions are taken. We have to keep the environment in perspective. Tourism has to balance between economic and environmental benefits. If we concentrate only on the economic side, something bad will happen in this region. Tourism revenue might not compensate for lost natural resources. Money cannot buy everything we want, especially the natural environment.*

Tourism development in Siem Reap has been a catalyst for changing the historic town landscape. The city is growing uncontrollably because of construction of hotels and other buildings. Throughout the Siem Reap city, significant historical buildings and government offices have been sold and some have been demolished to make way for new hotels, shops, offices and flats. A few retired civil servant respondents told me that public land has been leased to investors, who have good relationships with government officials for 99 years, to build markets, department stores and other shops to meet the tourist demand. The courthouse, stadium, town hall, municipal offices, kindergartens, part of a school yard, police and army headquarters and all government departments have been sold to private companies or investors in recent years. A civil servant jokingly told me that

*some of the government buildings will die before they age because they will be demolished soon to make way for tourist facilities. The Siem Reap town hall and other old buildings from the French colonial time will be demolished soon because this area will be used for hotel and restaurant construction.*

Another civil servant told me that, although tourism should not be blamed as the main factor contributing to this problem, the influx of tourists has increased land prices significantly. This trend motivated some government officials to find ways to sell, lease and/or exchange state property in order to profit from these activities. He added that

*they never care about civil servants who cannot afford to travel to the new location. The high price of petrol and the low salaries of civil servants discourage them to go to work there. Only a few people, especially the directors and deputy directors in each department, go to work in those new offices because they use government cars. Most of the civil servants are always absent.*

Based on respondents' views, I would argue that tourism development in Siem Reap town is not only a powerful invader, but also an effective instrument to widen income gap and household economy of local people living in the town. Those who are privileged to manage state property have become the key beneficiaries of tourism development. Others have become victims. Tourism development has generally created

silent protest among those who consider the benefits of tourism growth have not been distributed among local people.

#### 4.5.1. Government tourism policy and strategy in the Siem Reap-Angkor region

To achieve the sociocultural development goals of the National Poverty Reduction Strategy, the conservation and development of archaeological, cultural and historical sites is a priority of the government, which has plans to promote tourist destinations throughout Cambodia. Tourism development can raise awareness of natural and cultural heritage, resulting in heritage protection and conservation in a sustainable manner (UNCTAD, 2013). Ong and Smith (2014) found that tourism development has increased awareness of local cultural and historical conservation. Moreover, the growth of tourism in the Siem Reap-Angkor region has encouraged the government to adopt policies for sustainable tourism development that avoid negative impacts on this tourist destination, benefit host communities and preserve cultural heritage and the environment. The government has declared its strong commitment to carefully conserving this world heritage site, and to ensuring sustainable tourism development that will contribute to the social, cultural and economic development of local communities. Mason (2003) indicated that beneficial impacts of tourism consist of restoration of local architectural traditions, and conservation of aesthetic and cultural sites. Similar policies have been in place since 1994, when His Majesty, former King Norodom Sihanouk, signed a Royal Decree, dividing the Siem Reap-Angkor region into five cultural ‘zones’: monumental sites; protected archaeological reserves; protected cultural landscapes; sites of archaeological, anthropological or historic interest; and the socioeconomic and cultural development. Further details about each zone can be sourced on the APSARA website.

#### 4.5.2. The Open Sky Policy and local residents’ perceptions

To attract more international tourists to this region, the government adopted the Open Sky Policy in 1998, authorising direct flights to Siem Reap. As mentioned in section 4.2.1, this policy has had a significant impact on the number of tourist arrivals in the Siem Reap-Angkor region, and in particular, international tourists, with a high proportion now flying directly from other countries to Siem Reap (see section 4.2.2). A

government official working for the CMT spoke optimistically about this policy initiative, telling me that “*the government wisely adopted this policy to attract more international tourists to Siem Reap-Angkor.*” He added that more Cambodian people, especially those living in the Siem Reap-Angkor region, can now receive economic benefits from this policy in terms of employment and business. However, some critics told me that foreign tour companies, airlines and tour agents operating in this province have received more benefits from this policy than local people. A 40-year-old respondent who monitors this sector expressed the view that

*I think that we lost some benefits from this policy because most tourists only visit the Angkor complex and go back to their countries or other tourist destinations in neighbouring countries. The Open Sky Policy enables them to travel easily from this destination to Bangkok or Ho Chi Minh City. Direct flights to Siem Reap without landing in Phnom Penh are negative because hotels, restaurants and other tourist attractions there and in other popular tourism destinations miss this opportunity because of this policy.*

Similarly, a high school teacher who was born and raised in Siem Reap said

*although some people, especially government officials are proud with the increasing number of tourists in recent years and consider that this is a great achievement for Cambodia, I have different perspective from them. Some tourists just only visit the temples and fly back to their countries. I think local people get only a small percentage of the economic benefits from this tourism growth.*

Although the number of tourists has increased steadily from year to year, most residents in the Siem Reap-Angkor region are still poor because they have not received any benefit from tourism. A 30-year-old tourist guide and a 40-year-old village chief, living near the Angkor temple, both confirmed these negative assessments. They agreed that the increased number of tourists is useless if local people do not benefit from this trend. This village chief was pessimistic about his villagers’ ability to benefit from tourists. He told me that

*although many tourists have visited temples near our village in recent years, we (villagers) don’t know what to do or how to run businesses to get money from them. Strict law enforcement applied by the government to protect this area is one of the main constraints preventing us from being involved in tourism businesses.*

The tourist guide went on to say that

*most tourists coming to Siem Reap are Korean, Chinese and Vietnamese. Based on my observation they spend less money on the local economy compared to European or American tourists because they like spending on services or buy souvenirs from shops and entertainment clubs operated by their national tour companies. For example, Korean tour*

*companies employ Korean guides, provide transportation, accommodation and Korean tourists are encouraged to buy goods in shops and enjoy entertainment services run by Korean businesses. In the end, the money they spend here return to their country through their companies.*

Based on the above statements, it is clear that the growing number of tourists should not be the main indicator of benefits received by local people from this growth. The most relevant and important indicator should be the extent to which poor local people benefit from this growth in terms of employment opportunities, small business activities, and livelihood diversification.

I would argue strongly that every aspect of economic activities associated with tourism should be monitored and investigated to find out who the real beneficiaries are and who the victims of tourism growth are. Moreover, the positive perception of the local community towards tourism development might decrease because tourism's economic benefits have not contributed equally to the host community and investors. Indeed, the ongoing influx of tourists might harm cultural heritage, the environment and the wellbeing of local communities. Proper policies have to be adopted and implemented to ensure that tourism growth can contribute to the local economy and the host community's living standards and to reduce negative impacts resulting from tourism growth.

#### 4.5.3. Authorities for protection and management of cultural heritage

The First Intergovernmental Conference on Angkor, held in Tokyo on 12 and 13 October 1993, aimed to raise awareness about the urgency of the protection and conservation of the Angkor region. In order to ensure sustainable development and conservation in the Siem Reap-Angkor region, the RGC created two authorities for the protection and management of this region: the Special Police Corps for the Protection of Cultural Heritage (SPCPCH) and the Authority for the Protection and Management of Angkor and the region of Siem Reap, known by the acronym APSARA (Autorité Pour la Protection du Sites et l'Aménagement de la Région d'Angkor).

The SPCPCH has an obligation to protect the monumental areas in the Siem Reap-Angkor region. It is obliged to ensure security and public order, including the security of tourists and official visitors, investigate criminal actions, take preventive measures,

prosecute illegal acts, and cooperate closely with the APSARA in the protection and conservation of heritage sites. More details about SPCPCH's rights and obligation can be found on the APSARA website.

APSARA was created by the RGC in 1995. APSARA is the name of the Khmer female dancers sculpted on the walls of Angkor Wat and other temples. A famous Cambodian architect and Cambodia's most important modern urban planner, Van Molyvann, the first director of APSARA, and responsible for managing and protecting Cambodia's famous Angkor Archaeological Park, was dismissed in 2001 at Prime Minister Hun Sen's request after speaking out against damaging tourism developments at the site (Otis, 2013).

His Majesty, former King Norodom Sihanouk, announced that

APSARA, if it is strong-willed and single-minded, will put the management, the promotion and the exploration of the Khmer cultural heritage into Khmer hands, even while it is a world heritage site, into the same hands that sculpted it, that caressed it and protected it for so many centuries. And it will do this in the only way possible: by helping to form a new generation of qualified, caring Khmer specialists – technicians, intellectuals, thinkers and doers – who will be capable, on this international stage, of standing in the present with an arm around the past and eyes on the future (APSARA website).

However, a retired civil servant living in Siem Reap town did not think that APSARA was living up to this mission, and told me that

*100%, I support the creation of APSARA to protect this heritage site. However, although I think that APSARA is a necessary organisation consisting of some qualified human resources, some people who work for this authority are bad. APSARA leaders should be those who have cultural heart, love and care about culture and natural heritage, not those who are money-minded or think only from an economic perspective.*

APSARA is responsible for directing the management and tourism development of the Angkor region. Its main responsibilities are to protect, conserve and improve the value of archaeological parks, culture, environment and history. These objectives are to be achieved through the implementation of the master plan on tourism development, taking action against deforestation, illegal occupation of land and other activities that can negatively impact the region.

#### 4.5.4. Local community's reaction to policy implementation

Protracted disputes between APSARA and the local community have occurred ever since this authority started enforcing and implementing policies of the RGC to conserve heritage sites for sustainable tourism development. Many local residents told me they are unhappy with the rules and regulations enforced by APSARA and consider its staff as an enemy. Local residents frequently refuse to participate in the meetings organised by the authority to disseminate updated policies and provide information related to development and conservation. Village chiefs and community leaders informed me that local people, when summoned to meetings, often tend to respond that they are too busy with other things. One 45-year-old respondent living in the protected zone complained that

*villagers are getting bored with APSARA because their problems have never been addressed. They listened to us, but villagers' recommendations and suggestions have never been considered and nothing has been done to improve our livelihoods and living conditions.*

An APSARA officer admitted that

*most of our staff is not welcomed by villagers, but we have obligations and responsibilities to enforce laws in these areas to protect ancient temples, rehabilitate the environment and avoid unplanned development in this historic and archaeological site. If strict law enforcement is not applied, this popular tourist destination will lose its identity.*

Based on the recommendations and directions set at the 2003 Paris Second Intergovernmental Conference on Angkor, the needs and rights of the people living in and around the Angkor Heritage Park are to be addressed fully, and immediately, if the site is to be managed in a sustainable manner (APSARA, 2007). However, based on my interviews with village chiefs, nothing has been done to support the local community since the recommendation was made in the 2007 Angkor Management Plan. Although a project sign “Angkor Participatory Natural Resource Management and Livelihoods program” sponsored by the New Zealand government was seen near the gate of Ta Prohm temple, Nokor Thom commune, a 50-year-old resident, whose house is close to that sign, knew nothing about this when he was asked about this project.

#### 4.5.5. Conservation, development or burden on the local community

Some of those who reside in Angkor Park perceive that rather than being beneficiaries of tourism development, they are its victims. The implementation of conservation policies, regulations and law enforcement in the region not only limits the chances of local residents to get tourism business opportunities that could improve their livelihoods and living standards, but have also created chronic conflict between villagers and APSARA.

Although villagers are allowed to stay in this region, and have the right to cultivate their land, they have no land titles and cannot sell their land. APSARA prevents villagers from building new houses located within the protected zones. This regulation causes locals to perceive that their rights are being violated. Villagers are not even allowed to improve or rebuild cow-sheds, chicken coops, toilets, shops, cottages and other small buildings without obtaining permission from APSARA. A 35-year-old villager claimed that after submitting an application to renovate his house, he waited for months to get permission from APSARA. Other villagers complained that they have to get approval from APSARA to build latrines or drill wells with funds donated to them by tourists. This difficulty, I was told, sometimes annoys the donors who have since withdrawn their donations. It is understandable that donors may want to donate money to a specific project while visiting the area, but this has to be balanced against the need for orderly development. One way in which the generosity of some visitors could be balanced against the APSARA regulations could be for village leaders to seek approval for a list of priority projects for their villages. Once approved, these projects could be promoted to tourists, enabling them to donate to pre-approved projects.

This protected area is patrolled by APSARA staff. They have the power to stop villagers' activities considered to be against laws and regulations. One village resident stated that

*we don't feel we are living in our village, but feel that we live in a prison without walls because we live under surveillance by the authority. APSARA patrolmen regularly drive motorbikes around our village.*

Another resident complained that

*It is not fair that we cannot build houses on our own land. We are told to obey these unfair laws and regulations, not to do this, not to do that in our village, but high ranking army, police, officers and those with support from powerful officers can do just that.*

To illustrate this issue, he pointed to a restaurant building which is not permitted by conservation regulation, being constructed in his village.

Houses of high ranking government officers and army generals that have been built in this protected area provoke outcries from local residents. One villager, talking with me, complained that “*laws can be imposed on the poor only, but powerful people and the rich rarely get punishment although they have committed illegal activities*”. Some villagers who want to renovate their houses as tourist accommodation are not allowed to do so. While some tour companies with good connections have been able to rent some traditional houses in this area as tourist accommodation, this option is not available others. A village chief told me that some people who want to experience homestay with villagers are not allowed do so, because of APSARA’s policies. For instance, a villager who provided accommodation to a Japanese student doing research in his village was reprimanded. As homestay could be an important income source for villagers and a valuable experience for tourists and researchers, APSARA should develop guidelines for homestay that would enable this activity to not compromise the historic or natural environments.

#### **4.6. Concluding remarks**

Tourism growth in Cambodia has accelerated the Cambodian economy and tourism revenue has grown significantly in recent years, contributing significantly to Cambodia’s GDP. However, there is a significant economic leakage in this sector because of the high concentration of tourism businesses in foreign hands and imported products. Moreover, although tourism development plays a key role in activating the local economy, tourism benefits have not contributed equally to Cambodians, and especially to those living in the Siem Reap-Angkor region. The rapid growth of this sector has widened the gap between rich and poor, enabling some to become millionaires. Some local people who have good connections with government officials have received authority to manage state property and opportunities to diversify their

livelihoods by running tourism or related businesses. They are the beneficiaries of tourism development.

Other people claimed they are the victims of tourism growth. Local communities in the protected area and dozens of civil servants in all departments in Siem Reap province, whose offices have been exchanged or sold to investors to develop tourism facilities, told me they are the victims of tourism growth rather than the beneficiaries. The chronic dispute between local residents living in this protected zone and the authority responsible for cultural heritage conservation should be addressed in mutually respectful ways. If the local communities still perceive they are the victims of tourism development and the Angkor archaeological site conservation authorities refuse to cooperate with management authority, the goal of sustainable tourism and cultural heritage protection may not be achieved. I would argue that if no mechanism for benefit sharing and reducing inequality is found, tourism development in Siem Reap will continue to divide local residents into two groups: rich and poor. The government should take some urgent measures to address economic leakage in this sector to ensure the benefits of tourism can be distributed fairly among the local population.

## CHAPTER 5: LOCAL COMMUNITY: SOCIOECONOMICS, LIVELIHOODS AND POVERTY

*Although many tourists come here, everything stays the same in my village. Basic infrastructure..., poverty, living standards and livelihoods of villagers have not improved so far.*

A village chief in Krabei Riel commune

### 5.1. Introduction

The aim of this study is to investigate how tourism growth contributes to socioeconomic development, livelihood diversification and poverty reduction and this chapter focuses on understanding these key local factors in the case study area. (More detail about local residents' livelihoods, constraints and opportunities for businesses and tourism jobs in individual value chains will be discussed in Chapters 6, 7, 8, 9, 10 and 11.). Firstly, this chapter profiles the study area. Secondly, socioeconomics, livelihoods and business trends of local communities are reviewed and finally, the poverty of the local population is discussed.

Local residents, village chiefs, officials, a tourist guide, a lecturer and a researcher were my key informants for this chapter. I conducted interviews with this cohort to learn about their perceptions, even though documents from the government, World Bank and Siem Reap Provincial Department of Planning (SRPDP) were reviewed on socioeconomics, livelihoods and poverty of the local population. Thus the research question raised here is: *What are the socioeconomics, livelihoods and poverty of local communities?*

### 5.2. Profile of the study area

This section describes the three communes (Nokor Thum, Chreav and Krabei Riel) that make up the study area selected for the field research. These communes are located in Siem Reap town, Siem Reap province, Cambodia (see Figure 5.2)

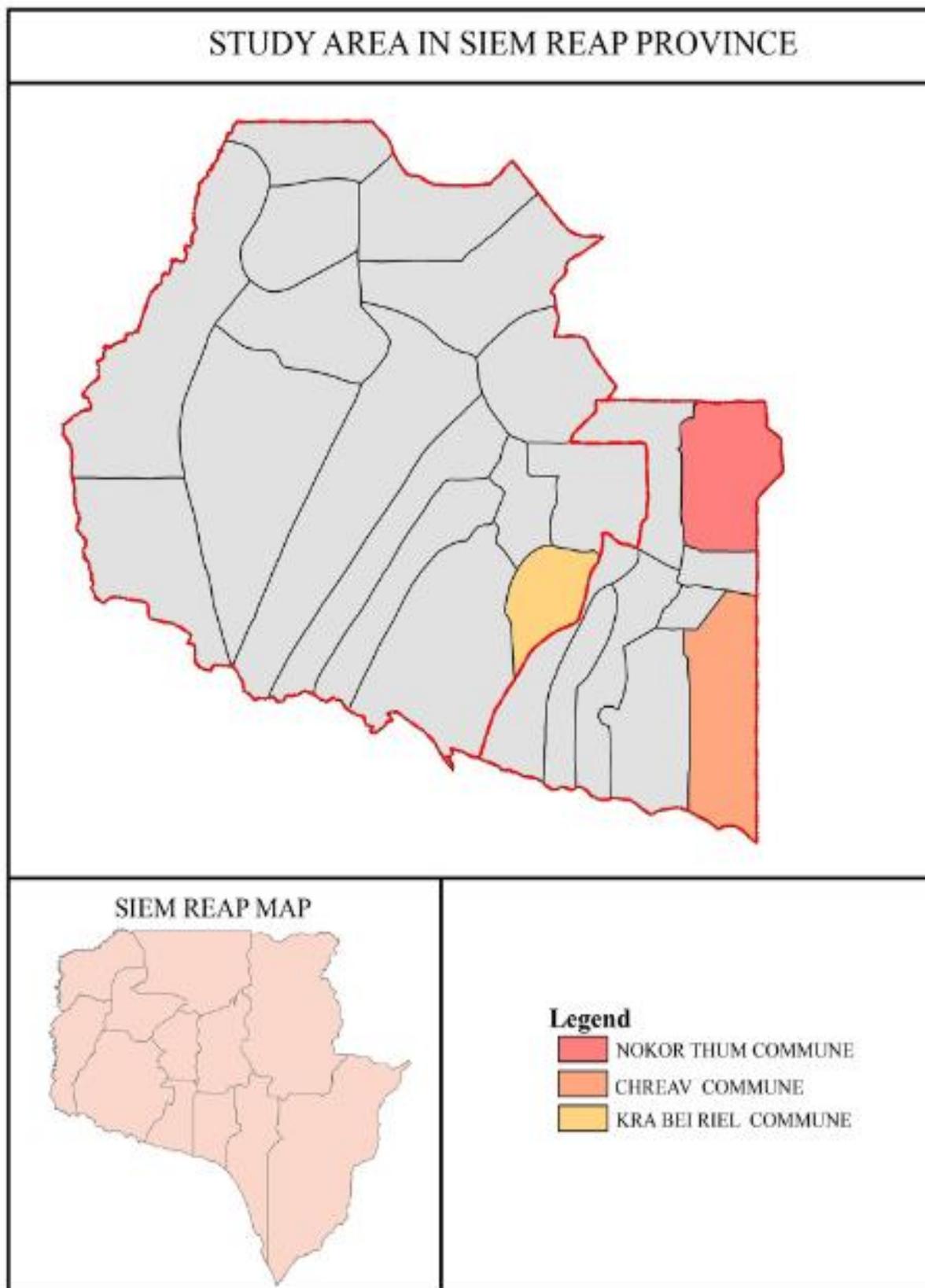
Cambodia is bounded on the northeast by Laos, on the east and southeast by Vietnam, on the west and northwest by Thailand, and on the southwest by the Gulf of Thailand: the centre of the great kingdom of the Khmer emperors, who controlled much of the

south-East Asian mainland about one thousand years ago. Cambodia today covers an area of 181,035 km<sup>2</sup>, including 4,520 square kilometres of lakes and inland waterways.

## Map of cambodia



Figure 5.1: Map of Cambodia



**Figure 5.2: Map of study area**

Cambodia is divided into 24 provinces, 193 districts, and 1,621 communes, containing 14,073 villages. The population of Cambodia in 2008 was over 13.4 million (NIS, 2008). According to the 2013 UNDP Human Development Index, Cambodia is one of the least developed countries in the world, ranking 138 out of 187 countries (CMP, 2013).

Siem Reap town is situated 314 kilometres from the Cambodian capital, Phnom Penh, in the northwest of Cambodia. Siem Reap province is bordered to the north by the provinces of Udon Ratchaburi and Preas Vihea, in the east by Kampong Tom and Preas Vihea, in the south by Battambang and Tonle Sap Great Lakes and in the west by Banteay Meanchey. The total land area of Siem Reap province is 10,229 square kilometres. This area is divided into 12 districts, 100 communes and 912 villages. In 2014 the population of Siem Reap province was 1,042,286 and the average population density was 102 per square kilometre, with a total 206,385 households. Of these, 13.52% of families were headed by females and the average family size was 5.05 persons.

Siem Reap municipality – the economic and cultural centre of Siem Reap province – is one of 12 districts within the province. Siem Reap town is bordered in the north by Angkor Thom district, in the east by Banteay Srei and Prasat Bakong districts, in the south by Tonle Sap Lake and in the west by Pouk district. Siem Reap district, which includes 10 communes, covers an area of 341 square kilometres, with a population of 237,469 in 2014. The average population density was 608.64 per square kilometre. There were in total 44,553 families. Of these, 14.1% of families were headed by females and the average family size was 5.30 persons.

Chreav commune contains seven villages. Although it is located close to the city, it is considered to be a rural area because most of its families are farmers. The total land area is 57.63 square kilometres, of which 1.17 square kilometres are residential, 23.52 square kilometres are agricultural and 32.94 square kilometres constitute 'other' land. The population was 13,283 in 2014. The average population density was 230.48 per square kilometre. There were in total 2,631 families. Of these, 12.7% were headed by females and the average household size was five persons.

**Table 5.1: Population trends 2011-2014**

Description	2011	2012	2013	2014
<b>Siem Reap province</b>				
Total population (person)	951,852	983,001	995,057	1,042,286
Annual growth rate (%)	0.55	3.27	1.23	4.75
Population density (person/km2)	93	96.10	97.27	102
Total male population	469,038	483,155	490,461	515,502
Total female population	482,814	499,846	504,596	526,784
Total families	187,175	193,527	197,331	206,385
Female household head (%)	13.78	13.63	13.54	13.52
Average family size	5.09	5.08	5.04	5.05
<b>Siem Reap town</b>				
Total population (person)	207,547	219,203	224,719	237,469
Annual growth rate (%)	4.20	5.60	2.50	5.70
Population density (person/km2)	608.64	642.82	659	696.39
Total male population	101,890	106,251	109,633	115,165
Total female population	105,657	112,952	115,086	122,304
Total families	39,779	41,672	42,921	44,553
Female household head (%)	13.70	13.80	13.60	14.10
Average family size	5.20	5.30	5.20	5.30
<b>Chreav commune</b>				
Total population (person)	11,338	12,859	12,693	13,283
Annual growth rate (%)	-0.10	13.40	-1.30	4.60
Population density (person/km2)	196.74	223.13	216.49	230.48
Total male population	5,567	6,309	6,295	6,671
Total female population	5,771	6,550	6,398	6,612
Total families	2,175	2,435	2,489	2,631
Female household head (%)	12.10	12.60	13.00	12.70
Average family size	5.20	5.30	5.10	5.00
<b>Krabei Riel commune</b>				
Total population (person)	7,771	7,911	8,261	8,460
Annual growth rate (%)	-1.50	1.80	4.40	2.40
Population density (person/km2)	40.87	41.6	43.44	44.49
Total male population	3,836	3,955	4,125	4,232
Total female population	3,935	3,956	4,136	4,228
Total families	1,558	1,605	1,625	1,647
Female household head (%)	11.20	12.00	11.60	11.60
Average family size	5.00	4.90	5.10	5.10
<b>Nokor Thum commune</b>				
Total population (person)	7,977	8,393	8,555	9,176
Annual growth rate (%)	2.00	5.20	1.90	7.30
Population density (person/km2)	145.3	152.87	155.82	167.14
Total male population	3,961	4,141	4,337	4,644
Total female population	4,016	4,252	4,218	4,532
Total families	1,574	1,648	1,725	1,846
Female household head (%)	15.90	16.30	15.80	15.90
Average family size	5.10	5.10	5.00	5.00

Source: SRPDP (2015)

Krabei Riel commune contains 12 villages. Like Chreav commune, it is considered to be an agricultural area because most of its families are farmers. The total land area is 190.14 square kilometres, of which 1.77 square kilometres are residential, 16.07 square kilometres are agricultural and 172.30 square kilometres constitute 'other' land. The population was 8,460 in 2014. The average household size was 5.10 persons. There were 1,647 families in total. The average population density was 44.49 per square kilometre and 11.6 % families were headed by females.

Nokor Thum commune contains six villages. It is located in Zone 1 of the Angkor complex and the most restricted of all the protected archaeological sites, even though this is considered to be a rural area. The total land area is 54.9 square kilometres, of which 11.4 square kilometres are residential, 27.5 square kilometres are agricultural and the rest (16 square kilometres) constitutes 'other' land. The population was 9,176 in 2014. The average population density was 167.14 per square kilometre. There were 1,846 families in total and of these, 15.9% were headed by females. The average household size was 5 persons.

### **5.3. Socioeconomics of Cambodian people**

This section describes Cambodian economic trends, the socioeconomics and livelihoods of local people in Siem Reap province and three communes making up the study area selected for this research, all of which are located in Siem Reap town.

#### **5.3.1. Cambodian economic trends**

Cambodia's economy has grown significantly since 2004 (ADB, 2012; CMP, 2013, World Bank, 2013). Driven by private investment, primarily in garment exports, tourism, and in construction and agriculture sectors, Cambodia's growth performance of 7% CAGR per capita from 2003 to 2011 (World Bank, 2013), resulted in a ranking of sixth across all countries worldwide in 2010 (Guimbert, 2010). Should this growth rate continue for another 10 years, Cambodia would double its per capita income by 2020, achieving middle-income status; with a 2% CAGR, it would reach this status by 2035 (Guimbert, 2010). Real GDP growth was 7.3% in 2012. The contribution of agriculture to real GDP growth has fluctuated, from 18.3% in 2010 to 11.3% in 2011 and 15% in 2012. Corresponding figures for the industry sector were: 35.6% in 2012, down from

54.9% in 2011 and 56.5% in 2010. The contribution of the services sector showed steady growth, up from 21.7% in 2010 to 26.8% in 2011 and 42.5% in 2012 (World Bank, 2013). Although agriculture is still the main economic activity, tourism services and garment factories are also important components of foreign direct investments (NIS, 2011). The number of international arrivals in 2014 was 4,502,775 million (CMT, 2014).

A university lecturer specialising in economics was of the view that although Cambodia had enjoyed economic growth during this period, because of three leading sectors (i.e. garment, tourism and agriculture), the beneficiaries of this growth are foreign investors and a small number of wealthy Cambodian people who have some shares, and own factory buildings, hotels, plantations, farms and other import and export companies. Many Cambodian farmers have not received any, or only a small share of this economic growth. Garment workers and those who work in the service sector earn low wages, on which it is difficult to survive because of the high price of food and other goods. This statement was supported by another respondent specialising in socioeconomics. He claimed that

*If we look at statistics released by the Cambodian government, the World Bank, ADB and other public institutions, we should be satisfied with the economic growth during this period. However, if we observe livelihoods, business activities and the living conditions of Cambodian people, our view will reverse [sic]. Statistics can be adjusted to satisfy people's purpose, but the real household economic improvement is based on employment with reasonable wages, livelihood and business activities of people. If we go out only 3 or 4 km from Phnom Penh capital and 2 km from provincial or district cities, we can see the reality of the economic situation of Cambodian people. We can observe villagers' activities and rice field along national roads. Except during the rainy season, the colour of rice fields and other crop areas are brown, indicating that there is no irrigation or other water systems in those areas, preventing farmers from growing crops or rice in the dry season.*

However, agriculture, which accounts for about one-third of the economy and where most of the rural population is employed, was not considered a major driver due to its more recent, low growth rate (World Bank, 2013). After sustained growth from years of agriculture and irrigation investments, real growth has now largely stemmed from the garment and tourist sectors (World Bank, 2013). The World Bank (2013, p.1) also claimed that expanded cultivated area, “adaptation to changes in destination markets for garments and a diversification in sources of tourism have helped Cambodia’s three key engines of GDP growth sustain their momentum”.

The perception of a retired civil servant respondent, reflecting commonly held views in the area, contrasted considerably with strong economic growth figures. He said:

*Mass media often informed us about Cambodian economic growth every year since the 1993 election supported by United Nations. However, based on my observation and perception, livelihoods and the living standard of most Cambodians have not improved noticeably... For my family, nothing has changed so far. For those who live in land concession or other development areas, their household economic situation was worse because they have been displaced by government or developers... While some people become millionaires because they got concession or business from government to supply services, materials or goods to government agencies and build infrastructure, the others become victims of development projects and economic development.*

According to Hill and Menon (2013), although the Cambodian economy grew significantly between 1993 and 2013, there are still key challenges, among them weak institutions and associated corruption, uneven spatial development and rising inequality. The increase in inequality has been among the highest increases in developing Asian countries. It could be expected that increasing employment opportunities in at least some of the growth sectors would however reduce inequality (Hill & Menon, 2013). ADB (2012) found that the Gini coefficient of inequality rose from 0.39 to 0.43.

Reflecting on inequality, one respondent working for government department in Siem Reap for 30 years said:

*We can see the differences between rich and poor in our society. While the rich in our country have many things, such as big houses, [a] hundred hectares of land, luxury cars and other possessions, the poor have less food to eat, no place to stay, no agricultural land and no job to do. Moreover, while the powerful people have more privileges to sell, rent or change the location of state/ public property, give business licence to friends or relatives to extract natural resources, run high profitable businesses, and pay less tax, ordinary citizens have to respect/ obey the laws and regulations set by government. This makes the rich become richer and the poor become poorer.*

Despite its economic growth, Cambodia is still one of Asia's poorest countries, with the gross domestic product per capita estimated at approximately USD 830 in (CMP, 2013).

### 5.3.2. Health in Siem Reap province

There were 88 (422 beds) health centres, 4 (576 beds) referral hospitals and 23 (100 beds) clinic /private hospitals and 235 pharmacies in 2014. There were 4,228 staff in the health centres and 302 staff in referral hospitals.

**Table 5.2: Health trends**

Facilities or Resources	2012	2013	2014
<b>Siem Reap province</b>			
Health centres	76	86	88
Beds in health centres	309	329	422
Staff in health centres	401	431	428
Referral hospitals	4	4	5
Beds in referral hospitals	521	526	576
Staff in referral hospitals	258	259	302
Private hospitals	21	16	23
Beds in private hospitals	312	315	100
Pharmacies	177	187	235
<b>Siem Reap Town</b>			
Health centres	11	11	12
Beds in health centres	58	58	58
Staff in health centres	66	66	69
Referral hospitals	1	1	1
Beds in referral hospitals	300	300	300
Staff in referral hospitals	186	186	192
Private hospitals	12	12	12
Health centres	11	11	12
Beds in health centres	58	58	58

Source: SRPDP (2015)

In addition to these hospitals operated and supported by the RGC, there are two big hospitals operated by charity and volunteer groups. They play a key role in the health sector in Siem Reap province. Patients treated in these hospitals not only live in Siem Reap, but also come from neighbouring provinces. Philanthropic tourists have visited these hospitals to donate funds and blood to the Kantha Bopha blood bank. A tourist guide who regularly brings tourists to these hospitals revealed that after visiting temples, some responsible tourists asked him what kind of assistance they could give to support poor people. After they had heard the stories of these hospitals and the great work the founders have done so far, most were eager to support. This respondent added that when tourists saw the patients crowded at the hospital front gate, the real situation these hospitals face and the solo cello concert conducted by Dr Beat Richner, hospital founder, they donated a lot of money. Some philanthropic tourists not only donated funds, but also donated blood to these hospitals. He said that some promised they would do their best to raise funds or awareness of other tourists to support these hospitals when they returned home.

***Box 5.1 Angkor Hospital for Children***

Angkor Hospital for Children, where over one million Cambodian children have been treated since its establishment in 1999, was created by Japanese-born Kenro Izu, who was inspired by his visit to Siem Reap for taking photographs for his “Light Over Ancient Angkor” series. Kenro Izu’s story, commitment and determination dates from 1993 to 1996; during a visit to the area he was moved by the sick and malnourished children. The pediatric hospital represents Kenro Izu’s appreciation for having been able to photograph the area. Most children treated in this hospital are from very poor households. AHC also trains health care workers. AHC receives its funding from overseas donors – not only based in Japan. Some tourists donated funds to this hospital.

Source: Angkor Hospital for Children

Without knowing how this hospital foundation operates, a respondent selling goods in front of the gate of the AHC told me she observed many groups of tourists came to this hospital nearly every day. At the beginning, she wondered why they visited these patients. One day, a tourist who came to buy her goods told her he came here to make a donation to this hospital, because it did not have sufficient funds for its operation. He felt pity when he learned that many patients were poor.

***Box 5.2 Jayavarman VII Hospital in Siem Reap***

Jayavarman VII Hospital was built near the temple of Angkor. Dr Beat Richner, a Swiss national and founder of the Kantha Bopha Foundation, constructed hospitals with support from the late King Norodom Sihanouk. This foundation now operates five hospitals in Cambodia including the Jayavarman VII Hospital in Siem Reap. These hospitals provide free medication and healthcare services to children in Cambodia. All treatment is free of charge for every patient.

In Siem Reap, Dr Beat Richner conducts solo cello performances in the hospital auditorium every Thursday and Saturday to raise funds to operate those hospitals. In addition to these funds, he also requests audiences to donate blood in order to maintain the blood bank. Many companies, foundations, and thousands donated funds to the Kantha Bopha foundation which has enabled these hospitals to provide medical help for millions of patients.

Source: Jayavarman VII Hospital

A local respondent who always brought her children to Jayavarman VII Hospital claimed that three of her children have been treated in this hospital since this hospital opened in 1999:

*Because we are poor, my family cannot afford to buy medicines or go to private clinics because it cost too much money. Jayavarman VII Hospital provides us with free medicine and we have never [been] asked to pay for treatments. Most of [the] villagers delivered their babies in this hospital. It is very crowded because patients come from everywhere. Without this hospital, villagers would face more difficulties related to health issues and many children would die.*

### 5.3.3. Education

In 2014, 22,913 students attended 408 public and private pre-schools and 229,311 students attended three different levels of school: 166,222 attended primary school, 36,578 attended junior high school and 26,511 attended high school in Siem Reap province.

In Chreav commune, 149 students attended a public pre-school, 1,681 students attended public primary schools and 281 students attended a public junior high school. There were five public pre-schools, three public primary schools and only one junior high school. There is no high school or private school in this commune. High school students had to attend schools downtown.

In Krabei Riel commune, 276 students attended a public pre-school, 1,195 students attended public primary schools and 436 students attended public junior high school. There were two public pre-schools, two public primary schools and only one junior high school. The student: teacher ratios were 69, 54.3 and 43.6 for public pre-schools, junior high school and primary schools respectively. There is no high school or private school in this commune. High school students had to attend schools downtown. Similar to other communes in Siem Reap municipality, most people in this commune could not access higher education.

In Nokor Thum commune, 1,692 students attended public primary schools, and 261 attended the public junior high school. There were five primary schools and only one junior high school. There is no high school or private school in this commune. High school students had to travel about 15 km to schools in the city. This was given as the

reason for most students giving up their education when they finished junior high school. The school drop-out rates in this commune were high.

According to village chiefs, although these communes are located in Siem Reap municipality, only a small percentage in these three study communes could access high school, vocational training schools and higher education.

**Table 5.3: Education**

Description	2014				
	No. of schools	No. of classrooms	No. of classes	No. of teachers	No. of students
<b>Siem Reap province</b>					
Public pre-school	379	594	686	611	19,325
Private pre-school	29	155	191	178	3,588
Public primary school	543	3,901	4,332	3,693	166,222
Public junior high school	107	864	755	1,173	36,578
Public high school	30	611	541	1,131	26,511
<b>Siem Reap town</b>					
Public pre-school	43	100	117	102	4,105
Private pre-school	27	149	185	169	3,368
Public primary school	55	713	923	963	40,888
Public junior high school	19	205	266	457	13,438
Public high school	7	207	252	564	11,956
<b>Chreav commune</b>					
Public pre-school	5	7	7	5	149
Private pre-school	0	0	0	0	0
Public primary school	3	35	39	45	1,681
State junior high school	1	4	6	14	281
Public high school	0	0	0	0	0
<b>Krabei Riel commune</b>					
Public pre-school	2	4	8	4	276
Private pre-school	0	0	0	0	0
Public primary school	2	17	25	22	1,195
Public junior high school	1	11	9	10	436
Public high school	0	0	0	0	0
<b>Nokor Thum commune</b>					
Public pre-school	0	0	0	0	0
Private pre-school	0	0	0	0	0
Public primary school	5	42	47	39	1,692
Public junior high school	1	4	5	5	261
Public high school	0	0	0	0	0

Source: SRPDP (2015)

#### 5.3.4. Housing

Based on the village and commune database compiled by the Siem Reap Provincial Department of Planning in 2015, Table 5.4 breaks down the housing standards of the three communes.

**Table 5.4: Housing trends**

Description	2012	2013	2014	
	%	%	%	No. of houses
<b>Siem Reap province</b>				
Houses with leaf, thatched roofs	22.54	20.08	16.18	31,749
Houses with zinc or fibro roofs	44.48	46.06	49.44	97,006
Houses with tiled roofs	27.5	27.87	28.12	55,174
Houses with cement walls	3.46	3.95	4.03	7,912
Flats and villas	2.02	2.05	2.23	4,363
Houses with electricity	30.16	33.86	41.08	80,607
Houses with batteries	46.18	44.52	41.32	81,078
Houses with solar energy	1.06	1.27	1.96	3,853
Houses with TV	63.20	62.88	62.55	122,734
Houses with latrines	33.60	36.30	46.00	94,852
<b>Chreav Commune</b>				
Houses with leaf, thatched roofs	2.30	2.70	2.40	62
Houses with zinc or fibro roofs	48.80	48.80	49.70	1,304
Houses with tiled roofs	30.40	28.40	28.90	759
Houses with cement walls	11.90	12.40	10.80	284
Flats and villas	6.60	1.70	8.20	214
Houses with electricity	78.60	88.90	93.60	2,454
House with batteries	6.90	5.60	3.90	101
Houses with solar energy	0.00	0.00	0.00	0
Houses with TV	79.20	73.70	92.10	2,417
Houses with latrine	93.20	94.60	93.80	2,467
<b>Krabei Riel Commune</b>				
Houses with leaf, thatched roofs	12.00	10.00	7.10	114
Houses with zinc or fibro roofs	41.10	43.90	47.30	763
Houses with tiled roofs	44.80	43.90	41.30	665
Houses with cement walls	2.00	1.90	2.70	44
Flats and villas	0.20	0.30	1.60	26
Houses with electricity	59.00	91.20	95.60	1,541
Houses with batteries	28.00	5.20	3.00	48
Houses with solar energy	0.90	0.10	0.10	1
Houses with TV	88.60	92.60	91.90	1,482
Houses with latrines	24.10	31.10	58.20	958
<b>Nokor Thum Commune</b>				
Houses with leaf, thatched roofs	9.10	4.40	2.70	48
Houses with zinc or fibro roofs	77.30	81.40	83.20	1,472
Houses with tiled roofs	12.80	13.60	13.10	231
Houses with cement walls	0.70	0.40	0.90	16
Flats and villas	0.20	0.20	0.20	4
Houses with electricity	49.20	38.10	54.90	971
Houses with batteries	35.50	35.10	34.60	613
Houses with solar energy	7.00	5.70	0.20	4
Houses with TV	86.40	74.80	78.80	1,395
Houses with latrines	31.10	37.20	62.30	1,150

Source: SRPDP (2015)

### 5.3.5. Access to water

Most of the local population in this study used water from wells. Table 5.5 summarises water usage in the three communes.

**Table 5.5: Water usage**

Description	2012	2013	2014
	No. of wells	No. of wells	No. of wells
<b>Siem Reap province</b>			
Families access to pump wells	106,498	115,181	116,913
Families access to dug wells with protection	25,177	24,895	24,664
Pump wells	48,872	58,042	69,547
Dug wells with protection	5,508	6,530	8,024
<b>Chreav Commune</b>			
Families access to pump wells	2,332	2,464	2,622
Families access to dug wells with protection	-	-	-
Pump wells	615	1,243	2,640
Dug wells with protection	-	-	-
<b>Krabei Riel Commune</b>			
Families access to pump wells	1,457	1,475	1,501
Families access to dug wells with protection	148	150	146
Pump wells	557	987	1,117
Dug wells with protection	48	59	55
<b>Nokor Thum Commune</b>			
Families access to pump wells	1,332	1,482	1,675
Families access to dug wells with protection	185	111	79
Pump wells	772	1,170	1,411
Dug wells with protection	71	103	47

Source: SRPDP (2015)

## 5.4. Livelihoods

### 5.4.1. Livelihoods of the local community in Siem Reap province

Siem Reap province has become Cambodia's most attractive destination for tourists because it is the former capital of the Khmer Empire and contains many historical, cultural and archaeological sites, including many ancient temples built by Khmer emperors. The tourism industry in Siem Reap has grown rapidly in recent years. Although it the most popular of Cambodia's provinces as a tourist destination, most (79.7%) of its people are still farmers who have agriculture as their primary occupation. Only 19.3% are involved in the service sector, and about 1.1% in craft work. About 5.9% are employed in agriculture and construction, 1.9% in the private sector and NGOs, and 3.1% in local government.

**Table 5.6: Primary occupation trends of residents in Siem Reap province, 2012–2014**

Description		2012	2013	2014
Total number of residents in primary occupation		418,747	412,433	440,329
Number of residents in agriculture		339,018	336,222	350,749
Percentage of residents in agriculture		81.00	81.50	79.70
Percentage of women in agriculture		39.80	40.00	38.50
Number of residents in handicraft		3,201	2,698	4,805
Percentage of residents in handicraft		0.80	0.70	1.10
Percentage of women in handicraft		0.30	0.20	0.40
Number of residents in services		76,528	73,513	84,775
Percentage of residents in services		18.30	17.80	19.30
Percentage of women in services		7.50	7.10	7.70
Includes	Percentage of small retailers, traders	6.70	6.10	6.30
	Percentage of repairers	0.50	0.60	0.60
	Percentage of transportation service providers	1.30	1.30	1.40
	Percentage of workers in agriculture, construction	5.00	5.10	5.90
	Percentage of staff in private sector and NGOs	1.70	1.70	1.90
	Percentage of public civil servants in government	3.00	3.00	3.10

Source: SRPDP (2015)

#### 5.4.2. Livelihoods of the local community in Siem Reap town/municipality

Although Siem Reap town is the most popular tourist destination in Cambodia, some people in the local community are still farmers. According to SRPDP (2015) 35% had agriculture as their primary occupation in 2014. About 0.6% were in craft work and 62.7% were in the service sector including 14% employed in agriculture, construction, 7.5% in the private sector and NGOs and 8.7% in local government.

**Table 5.7: Primary occupation trends of residents in Siem Reap town, 2012–2014**

Description		2012	2013	2014
Total number of residents in primary occupation		76,043	72,803	78,111
Number of residents in agriculture		28,748	27,882	27,310
Percentage of residents in agriculture		37.80	38.30	35.00
Percentage of women in agriculture		17.00	16.80	15.70
Number of residents in handicraft		1,582	1,391	1,806
Percentage of residents in handicraft		0.50	0.40	0.60
Percentage of women in handicraft		0.50	0.40	0.60
Number of residents in services		45,713	43,530	48,995
Percentage of women in services		24.60	24.00	25.10
Percentage of residents in services		60.10	59.80	62.70
Includes	Percentage of small retailers, traders	24.70	24.30	24.30
	Percentage of repairers	1.60	1.80	1.80
	Percentage of transportation service providers	5.40	6.40	6.40
	Percentage of workers in agriculture, construction	13.00	14.00	14.00
	Percentage of staff in private sector and NGOs	6.70	7.50	7.50
	Percentage of public civil servants in government	8.40	8.70	8.70

Source: SRPDP (2015)

A male respondent running a printing business in Siem Reap town told me he wanted to run a tourism business, such as a restaurant or guesthouse, but he did not have enough money and related business knowledge. Those who are running such businesses always have a good relationship or network with tour operators both inside and outside the country, or their businesses would fail. Tour operators always bring their customers to big restaurants and hotels that they have signed a contract or agreement with. Some tourist agents have their own restaurants or have rented guesthouses or hotels for their clients. In order to source backpackers or individual tourists, local guesthouse or hotel owners book online companies to find these clients. Similarly, a civil servant who has worked in the city for nearly 30 years told me it is difficult for local people to run tourism businesses or related businesses because many tour companies own nearly all components in the tourism value chain or have contact with networks who run these businesses in Siem Reap. This is one of the factors leading to most local people who run tourism businesses not being successful. When their businesses are bankrupt, those who borrowed money from banks or microfinance institutions have to sell their real estate to pay the loan. This civil servant revealed that

*some foreign tour companies have their own accommodation, restaurants, nightclubs, souvenir shops, transportation services, tourist guides and other entertainment services...those tourists use their national airlines, free transportation from Siem Reap International Airport to hotels, stay in those hotels which have their own restaurants or souvenir shops, enjoy karaoke in their nightclubs, or use their national tourist guides.*

Based on data from the SRPDP, not many local people are involved into tourism. As shown in table 5.4, the number of people working in hotels, guesthouses and restaurants in 2014 was 1,945, 997 and 723 respectively and 1,256 were involved in small-scale tourism-related services such as haircuts, massage, food and beverage.

In general, tourism has activated economic activities in Siem Reap town. Based on the table below, the number of workshops, shops and stalls increased. However, it is noticeable that wood furniture handicraft workshops decreased while other workshops producing rattan, bamboo, copper and stone items have increased slightly. The number of food stalls and restaurants increased, but the number of guesthouses decreased. The number of hotels also decreased from 150 in 2013 to 143 in 2014. This indicates that some handicraft producers, guesthouse operators and hotel owners could not run their business successfully. This issue will be discussed in more detail in the following chapters.

**Table 5.8: Business trends in Siem Reap town**

Description	2012	2013	2014		
	No.	No.	No.	No. of employees	
				Total	Female
<b>Production Workshops</b>					
Rice mill	71	164	122	214	72
Brick production workshop	0	4	4	11	2
Weaving handicraft workshop	6	21	5	43	38
Rattan and bamboo handicraft workshops	148	148	161	269	137
Wood furniture handicraft workshops	90	43	80	368	103
Copper, stone, metal carving handicraft workshops	19	22	23	120	31
Aluminium, iron, glass handicraft workshops	51	57	61	275	75
Plastics producing workshops	4	3	3	27	17
Pure water workshops	32	35	35	330	156
Cereal and nut packing workshops	11	13	16	118	53
Processing or packing fishing products workshops	29	41	30	57	30
Other handicraft workshops	31	38	36	96	19
<b>Services and Businesses</b>					
Grocery shops	783	802	500	895	589
Clothes, shoes and cosmetics shops	135	120	151	274	194
Jewellery shops	42	52	44	105	51
Electronic product shops	78	89	102	186	110
Furniture shops	57	53	79	400	126
Construction material shops	63	86	96	336	130
Stationery and sport material shops	33	29	27	61	37
Bike and motor bike shops	139	170	176	343	72
Machines and agricultural instrument shops	37	29	50	186	42
Repairing electronic instrument stalls	49	59	78	155	26
Pharmacies and small drug stores	65	79	83	163	90
Haircut and massage parlours	162	146	201	837	634
Rice and noodle stalls	319	360	415	1,020	622
Restaurants	96	132	154	1,203	723
Hotels	130	150	143	4,768	1,945
Guesthouses	275	266	264	1,675	997

Source: SRPDP (2015)

#### 5.4.3. Livelihoods of the local community in Chreav commune

Although Chreav commune is located in the proximity of the most popular tourist centre, the majority of local people are still farmers. 67.5% had agriculture as their primary occupation. Only 26.9% (of which 8% were women) were employed in various sectors for a daily wage or monthly salary such as the private sector (4.5%), agriculture and construction (13.3%), provincial and local government (2.4%), transport service providers (1.3%), repairers (0.7%) and retailers and traders (4.7%). Only 5.6% (of which 0.9% were women) were involved in craft work.

**Table 5.9: Primary occupation trends in Chreav commune, 2012–2014**

Description		2012	2013	2014
Total number of residents in primary occupation		4,656	4,221	4,607
Number of residents in agriculture		3,532	3,081	3,112
Percentage of residents in agriculture		75.90	73.00	67.50
Percentage of women in agriculture		27.30	26.30	25.10
Number of residents in handicraft		85	99	258
Percentage of residents in handicraft		1.80	2.30	5.60
Percentage of women in handicraft		0.50	0.50	0.90
Number of residents in services		1,039	1,041	1,237
Percentage of women in services		7.10	8.00	8.30
Percentage of residents in services		22.30	24.70	26.90
Includes	Percentage of small retailers, traders	2.80	3.60	4.70
	Percentage of repairers	0.50	0.60	0.70
	Percentage of transportation service providers	2.00	1.10	1.30
	Percentage of worker in agriculture, construction	12.00	13.10	13.30
	Percentage of staff in private sector and NGOs	2.60	3.60	4.50
	Percentage of public civil servant in government	2.40	2.60	2.40

Source: SRPDP (2015)

**Table 5.10: Business trends in Chreav commune, 2012–2014**

Description	2012	2013	2014		
	No.	No.	No.	No. of employees	
				Total	Female
<b>Production workshops</b>					
Rice mills	20	41	19	25	5
Rattan and bamboo handicraft workshop	1	1	0	0	0
Wood furniture handicraft workshops	16	17	35	138	57
Copper, stone, metal carving handicraft workshop	1	1	0	0	0
Aluminium, iron, glass handicraft workshops	3	3	6	20	0
Pure water workshops	1	1	2	23	7
<b>Services and businesses</b>					
Grocery shops	26	31	33	70	48
Clothes, shoes and cosmetics shops	3	3	10	14	11
Electronic product shops	1	4	4	16	7
Furniture shops	15	15	35	195	57
Construction materials shops	1	4	7	27	10
Stationery and sport material shops	1	2	1	7	2
Bike and motor bikes shops	7	12	13	19	5
Machines and agricultural instrument shops	2	1	9	38	4
Repairing electronic instrument stalls	1	4	7	10	0
Pharmacies and small drugs stores	1	0	5	8	4
Haircuts and massage parlours	7	9	13	39	32
Rice and noodle stalls	21	37	46	64	45
Restaurants	6	7	7	18	12
Hotels	4	4	2	203	90
Guesthouses	6	6	8	60	20

Source: SRPDP (2015)

Regarding business trends (see table 5.10), the number of wood furniture handicraft workshops increased from 16 in 2012 to 35 in 2014 and furniture shops from 15 to 35. While rice and noodle stalls increased from 21 to 46, the number of restaurants increased from 6 to 7 only. Noticeably, the number of hotels dropped from 4 to 2, but the number of guesthouses increased from 6 to 8. Surprisingly, the number of bike and motor bike shops increased from 7 to 13. However, the number of other workshops and shops increased or decreased slightly. There were 994 people (416 female) employed, involved in production and businesses.

#### 5.4.4. Livelihoods of the local community in Krabei Riel commune

The vast majority of the people in Krabei Riel commune (see table 5.11) are farmers (87.9% had agriculture as their primary occupation and 55.7% had agriculture as their secondary occupation). About 10.2% (3.7% of women) were employed in various sectors for a daily wage or monthly salary such as 2% in the private sector and NGOs, 3.7% agriculture and construction, 2.3% provincial and local government, 0.7% transport service providers, 0.4% repairers and 1% were retailers and traders. Nearly 2% of the local community was involved in craft work as their primary occupation and 18.6% as their secondary occupation.

**Table 5.11: Primary occupation trends of residents in Krabei Riel commune, 2012–2014**

Description		2012	2013	2014
Total number of residents in primary occupation		3,995	3,606	3,773
Number of residents in agriculture		3,632	3,244	3,316
Percentage of residents in agriculture		90.90	90.00	87.90
Percentage of women in agriculture		44.10	41.80	42.40
Number of residents in handicraft		79	34	74
Percentage of residents in handicraft		2.00	0.90	2.00
Percentage of women in handicraft		1.20	0.70	0.90
Number of residents in services		284	328	383
Percentage of women in services		2.80	3.00	3.70
Percentage of residents in services		7.10	9.10	10.20
Includes	Percentage of small retailers, traders	0.80	0.90	1.00
	Percentage of repairers	0.40	0.50	0.40
	Percentage of transportation service providers	0.10	0.30	0.70
	Percentage of workers in agriculture, construction	2.30	3.30	3.70
	Percentage of staff in private sector and NGOs	1.60	1.80	2.00
	Percentage of public civil servants in government	1.90	2.30	2.30

Source: SRPDP (2015)

Regarding business trends (see table 5.12), the number of Rattan and bamboo handicraft workshops increased from 140 in 2012 to 148 in 2014. While rice and noodle stalls increased from 1 to 13, the number of bike and motor bike shops increased from 5 to 6.

**Table 5.12: Business trends in Krabei Riel commune, 2012–2014**

Description	2012	2013	2014		
	No.	No.	No.	No. of employees	
				Total	Female
<b>Production Workshops</b>					
Rice mills	2	3	4	10	4
Rattan and bamboo handicraft workshops	140	140	148	207	95
Copper, stone, metal carving handicraft workshops	2	1	1	2	0
Aluminium, iron, glass handicraft workshops	1	1	1	1	0
Other handicraft workshops	0	0	0	0	0
<b>Services and Businesses</b>					
Grocery shops	5	16	16	16	15
Clothes, shoes and cosmetics shops	1	1	1	1	1
Jewellery shops	0	1	1	1	1
Electronic product shops	1	1	1	2	1
Construction material shops	2	1	2	9	2
Haircut shops	3	3	7	8	2
Rice and noodle stalls	1	14	13	20	10
Bike and motor bike shops	5	6	6	7	0
Repairing electronic instrument stalls	0	2	2	2	0

Source: SRPDP (2015)

#### 5.4.5. Livelihoods of the local community in Nokor Thum commune

Although Nokor Thum commune is located in the heart of the tourist destination, close to the most popular temples, nearly half of the population is still farmers. 55.1% had agriculture as their primary occupation. About 40.7% (17.3% female) were employed in various sectors for daily wages or monthly salaries such as the private sector and NGOs (1.9%), agriculture and construction (23.9%) and provincial and local government (3.7%). About 1.4% of the population had their primary occupation as transportation service providers, repairers (0.3%) and retailers and traders (9.5%). Only 4.2% (1.2% female) were involved in handicraft work.

**Table 5.13: Primary occupation trends of local residents in Nokor Thum commune, 2012–2014**

Description		2012	2013	2014
Total number of residents in primary occupation		4,274	3,724	3,738
Number of residents in agriculture		2,560	2,093	2,059
Percentage of residents in agriculture		59.90	56.20	55.10
Percentage of women in agriculture		31.40	28.50	27.60
Number of residents in handicraft		126	211	156
Percentage of residents in handicraft		2.90	5.70	4.20
Percentage of women in handicraft		1.00	1.80	1.20
Number of residents in services		1,588	1,420	1,523
Percentage of women in services		16.90	16.00	17.30
Percentage of residents in services		37.20	38.10	40.70
Includes	Percentage of small retailers, traders	9.90	9.00	9.50
	Percentage of repairers	0.10	0.20	0.30
	Percentage of transportation service providers	0.40	1.20	1.40
	Percentage of worker in agriculture, construction	21.30	23.60	23.90
	Percentage of staff in private sector and NGOs	3.60	1.80	1.90
	Percentage of public civil servant in government	1.90	2.30	3.70

Source: SRPDP (2015)

Regarding livelihoods, the number of handicraft workshops increased slightly from 31 in 2012 to 34 in 2014, and other shops and workshops increased and decreased slightly. While the number of rice and noodle stalls decreased from 16 to 6, the number of restaurants increased from 5 to 15.

**Table 5.14: Business trends in Nokor Thum commune**

Description	2012	2013	2014		
	No.	No.	No.	No. of employees	
				Total	Female
<b>Production Workshops</b>					
Rice mills	3	5	6	11	6
Brick production workshops	0	1	1	3	1
Rattan and bamboo handicraft workshops	0	1	1	2	2
Wood furniture handicraft workshops	1	1	0	0	0
Other handicraft workshops	30	36	33	73	17
<b>Services and Businesses</b>					
Grocery shops	27	23	23	23	23
Clothes, shoes and cosmetics shops	3	3	5	6	5
Construction materials shops	0	1	1	1	0
Haircut and massage parlours	4	2	1	1	1
Rice and noodle stalls	16	5	6	14	9
Restaurants	0	15	15	144	105
Bike and motor bike shops	2	3	2	2	0

Source: SRPDP (2015)

According to respondents, only three restaurant owners are local residents and the rest are outsiders who received supported from powerful officials. According to APSARA regulation, hotel, guesthouse, restaurant and new buildings are not permitted to be constructed in this heritage site because it is located in the Angkor archaeological which is strict protected zone. However, local residents who run restaurants in this area told me that they converted and decorated some part of the existing houses as the restaurants. There were only 280 local people (169 female) employed and involved in production and businesses. This figure indicates that tourism growth does not contribute significantly to local residents' employment, business and production activities in this commune.

## **5.5. Poverty**

This section discusses poverty in Cambodia, Siem Reap province and three communes selected for this research, all of which are located in Siem Reap town.

### **5.5.1. Measuring poverty**

Traditionally, poverty has been considered in monetary terms, measured by income and/or expenditure per capita or per household. More recently, it has become widely recognised that there are other dimensions to poverty and in broad terms, the UN (2010, p. 8) has defined poverty as “the deprivation of one’s ability to live as free and dignified human being with the full potential to achieve one’s desired goals in life”. According to Sen (2001), poverty is a multidimensional phenomenon including factors such as the inability to participate in political and social life. In Croes’s words:

Poverty represents itself as poor health and inaccessibility to good medical facilities, illiteracy, irregular income, informal employment, multiple occupations, lack of land tenure for housing, lack of basic infrastructure quality, disempowerment and personal insecurity (Croes, 2014a, p. 209).

The Program of Action of the World Summit for Social Development (United Nations, 2006, resolution 1, annex II) characterised poverty as follows:

Poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterized by a lack of participation in decision making and in civil, social and cultural life. (para. 19)

Such a wide definition of poverty is now reflected in development activities and poverty measurements, for example, the Millennium Development Goals and Multidimensional Poverty Index (UNDP, 2010). This is also the case in Cambodia, for example, in the system implemented by the CMP to identify poor households entitled to special assistance.

#### 5.5.2. Poverty in Cambodia

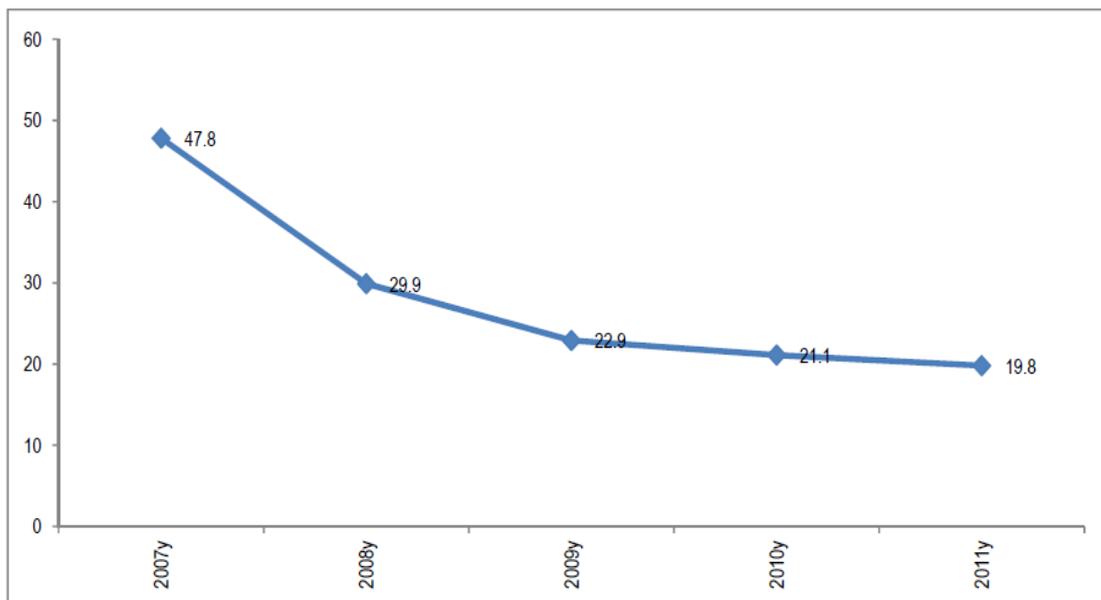
Factors contributing to the widespread poverty of the rural population in Cambodia are lack of productive assets, insecure land tenure, remoteness from services, low levels of education, and high dependency ratios (CMP, 2013). The 2009 Cambodian Socioeconomic Survey showed poverty incidence at 22.9% (24.6% in rural areas) on the basis of an expenditure based daily poverty line of 6,347 Riel (USD 1.50) in Phnom Penh, 4,352 Riel (USD 1.00) in urban areas and 3,503 Riel (USD 0.83) in rural areas. The pattern of poverty is that it is low in the capital, slightly higher on the plains, around the shores of the Tonle Sap Lake and on the sea coast, but rises to higher levels in inner areas, the northeast and southwest of the Tonle Sap Lake (CMP, 2013).

Poverty has fallen dramatically in Cambodia since the early 2000s. It more than halved from 53% in 2004 to 20.5% in 2011, reducing the number of poor people from 7 million in 2004 to 3 million in 2011. Approximately 90% of poor households are in rural areas (World Bank, 2013). Despite this considerable reduction in poverty rates, the World Bank (2013) expressed concern that a vast majority of families who escaped poverty were only able to do so by a small margin, implying that those households no longer defined as poor are very vulnerable as ‘near-poor’, remaining very close to the poverty line. ‘Near-poor’, families are at high risk of reverting into poverty, should there be any income shock. All it would take is for someone to lose just Riel 1,200/day (USD 0.3) in income. If this was to happen to all households defined as ‘near-poor’, an estimated 3 million Cambodians would revert to poverty, thereby doubling the poverty rate to 40%.

Considerable poverty reduction is also reflected in assets and access to infrastructure. Between 2004 and 2011, for example, access of households to electricity increased three-fold, to sewerage systems or septic tanks by 100% and to piped water during the dry season by 25%. Other indicators of assets growth are the increase in durables such

as televisions (37%), motorbikes (100%), and mobile telephones (quadrupled) (World Bank, 2013). The World Bank identified five key drivers for rapid reduction of poverty: (i) high rice prices; (ii) higher rice production; (iii) higher revenue from non-farm businesses; (iv) higher wage rates of rural workers; and (v) growth in salaried jobs in urban areas. Whereas the growth in salaried jobs in urban areas was the key driver prior to 2008, other drivers have been more important since that time, in conjunction with global food price shocks.

The World Bank figures are slightly different from those provided by the RGC. The CMP statistics show that 22.9% of Cambodian population (Phnom Penh 12.8%, other urban areas, 19.3%, and rural areas 24.9%) subsisted below the poverty line in 2009 and for Cambodia as a whole, the poverty rate dropped to 21.1% in 2010 and further to 19.8% in 2011 (CMP 2013) (see Figure 5.3).



**Figure 5.3: Poverty rates for different years (2008–2011)**

Source: CMP (2013)

The multidimensional poverty index (MPI), made up of a weighted average of 10 indicators in health, education and living standards tells a different story. Based on 2010 survey data, it seems that 45.9% of Cambodia’s population was living in multidimensional poverty (UNDP, 2013) and a further 21.4% was vulnerable to poverty.

The argument of the respondent specialising in socioeconomics, who often goes to rural areas, reflecting commonly held views in the poverty issue, contrasted considerably with the poverty figures released by the World Bank and the Royal Government of Cambodia. He said

*They [government, World Bank] often make announcements about the success of poverty reduction in Cambodia. However, based on my personal experience, the living standards of most Cambodians living outside Phnom Penh capital and other provincial centres have not been enhanced...Poverty still exists in rural villages because of natural resource depletion, low agricultural production and unemployment. Poverty has not changed noticeably as they claimed...and you can see it clearly in rural areas. If we look at statistics, it is great, but if we observe the reality of villagers' lives and their living conditions, we can find the truth inside this issue.*

### 5.5.3. Identification of Cambodian poor households

In order to reduce poverty, The RGC issued Sub decree No. 291, in December 2011, formalising the CMP as the government agency responsible for identifying poor households, which are classified according to three poverty levels: “Poor Level 1” (59-68 points), “Poor Level 2” (45-58 points) and “Other” (< 45 points). Data for the classification are derived from survey questionnaires, consisting of four sections:

- a) *administrative information*
- b) *demographic household information*
- c) *various socioeconomic characteristics of poverty*
- d) *special circumstances.*

Responses to sections b) and c) above are summed up and weighted to identify poor households in Table 5.15.

**Table 5.15: Socioeconomic characteristics analysis of poor households**

Socioeconomic group	Socioeconomic subgroup	Socioeconomic characteristics
Housing	Housing	Roofing material
		Wall material
		Condition of house
		Floor area of house
Ownership	Assets	Owens TV, mobile phone, etc.
	Livestock	Raises fish and/or owns livestock, etc.
	Transportation	Owens bicycle, motorbike, boat, etc.
Productivity	Active members	Members cannot produce income
	Income generation	Grows rice, fishes, other
Food security	Food security	Borrowed rice in last 12 months

Source: CMP (2012)

Service providers, NGOs and other development agencies often use this household information to target development services and assistance to the poorest households in targeted geographical areas. Such targeted assistance is considered effective for poverty alleviation and protection of households from the impact of shocks which may deepen their poverty (CMP, 2012).

According to the CMP (2012), 571,667 households (27.2%) were classified as “Poor Level 1 and 2”, 257,656 households (12.2%) as “Poor Level 1” and 314,011 households (14.9 %) as “Poor Level 2” in 2010. This figure excluded Kampong Cham, Kampong Thom, Phnom Penh and Stung Treng.

#### 5.5.4. Poverty levels in Siem Reap province

According to the CMP (2012), in 2010, 52,889 households were defined as poor, corresponding to 30.7% of all households. Of those, 24,758 (14.4 %) were classified as Poor Level 1 and 28,131 households (16.3 %) as Poor Level 2. In Siem Reap municipality, the city servicing tourists visiting the Angkor complex, the poverty rate was slightly lower than average: the total number of poor households was 7,495 (25%), of which 3,400 (11.4%) was Poor Level 1 and 4,095 (13.7%) was Poor Level 2.

In Chreav commune, 684 (32.1 %) households were classified as poor, of which 388 were Poor Level 1 and 298 Poor Level 2. In Krabei Riel commune, 454 (29.7%) households were classified as poor, of which 244 were Poor Level 1 and 210 households Poor Level 2. The number of poor households in Nokor Thum commune was 870 (53.7%), of which 472 households were classified as Poor Level 1 and 398 households as Poor Level 2. As shown in Table 5.16, there was considerable variation between villages in these three communes. For example, only 11.9% of households in Chreav village in the Chreav commune were classified as poor, whereas in the village of Areaks Svay, this percentage was much higher (62.5%).

Comparing poverty figures released by CMP in 2012 and 2014, the number of poor households in this province decreased from 52,889 (30.7%) in 2010 to 44,309 (24.8%) in 2012. However, in Siem Reap municipality, the percentage of poor households was similar (25% in 2010 and 25.1% in 2012). This indicated that tourism growth has no impact on poverty reduction in this popular tourist destination for the three-year period of study.

**Table 5.16: Classification of poor households in each commune in 2010**

Commune and Village		Total HHs	Poor HHs L-1		Poor HHs L- 2		Total	
Commune	Village	No.	No.	%	No.	%	No.	%
Chreav	Chreav	176	3	1.70	18	10.20	21	11.90
	Khnar	785	119	15.20	100	12.70	218	27.80
	Bos Kralanh	245	83	33.90	64	26.10	147	60.00
	Ta Chek	136	7	5.10	19	14.00	26	19.10
	Veal	364	104	28.60	19	5.20	123	33.80
	Krasang	267	47	17.60	36	13.50	82	30.70
	Boeng	158	25	15.80	42	16.60	67	42.40
	<b>Sub Total</b>	<b>2131</b>	<b>386</b>	<b>18.10</b>	<b>298</b>	<b>14.00</b>	<b>684</b>	<b>32.10</b>
Krabei Riel	Ta Ros	129	22	17.10	30	23.30	52	40.30
	Roka	151	21	13.90	27	17.90	48	31.80
	Prey Pou	78	10	12.80	5	6.40	15	19.20
	Totea	95	13	13.70	5	5.30	18	19.00
	Krasang	96	10	10.40	12	12.50	22	22.90
	Popis	76	13	17.10	12	15.80	25	32.90
	Trapeang Veang	86	10	11.60	16	18.60	26	30.20
	Kouk Doung	146	25	17.10	16	11.00	41	28.10
	Boeng	201	32	15.90	19	9.50	51	25.40
	Prama	177	30	16.90	25	14.10	55	31.10
	Khnar	131	31	23.70	26	19.80	57	43.50
	Prey Krouch	162	27	16.70	17	10.50	44	27.20
<b>Sub Total</b>	<b>1528</b>	<b>242</b>	<b>16.00</b>	<b>210</b>	<b>13.70</b>	<b>454</b>	<b>29.70</b>	
Nokor Thum	Rohal	306	77	25.20	69	25.20	146	47.70
	Srah Srang Cheung	201	42	20.90	50	24.90	92	45.80
	Srah Srang Tboung	166	40	24.10	44	26.50	84	50.60
	Kravan	225	70	31.10	68	30.20	138	61.30
	Areaks Svay	128	41	32.00	39	30.50	80	62.50
	Anhchanh	594	202	34.00	128	21.00	330	56.60
	<b>Sub Total</b>	<b>1620</b>	<b>472</b>	<b>29.10</b>	<b>398</b>	<b>24.60</b>	<b>870</b>	<b>53.70</b>

Source: CMP (2012)

Moreover, although the percentage of poor households in these three study communes decreased, the percentage of poor households in some villages was very high, if compared to the total percentage of poor households for the whole province (24.8%). For instance, the percentage of poor households in Rohal, Bos Kralanh, Kravan, Anhchanh, and Srah Srang Tboung villages was 65.5%, 60.3%, 54.5%, 53.5%, and 50% respectively. Four of these villages are located near popular temples. Surprisingly, while the percentage of poor households in Bos Kralanh village increased slightly from 60% to 60.3%, the percentage of poor households in Rohal village, located in the Angkor complex, increased from 47.7% to 65.5% during this period (see Table 5.17). Therefore, the contribution of tourism to poverty reduction is questionable.

**Table 5.17: Poor household trends in each commune, 2010 and 2012**

Commune and Village		Poor HHs L-1 (%)		Poor HHs L-2 (%)		Total Poor HHs L-1 & 2 (%)	
Commune	Village	2010	2012	2010	2012	2010	2012
Chreav	Chreav	1.70	5.50	10.20	5.10	11.90	10.60
	Khnar	15.20	6.00	12.70	8.70	27.80	14.70
	Bos Kralanh	33.90	26.20	26.10	34.10	60.00	60.30
	Ta Chek	5.10	10.50	14.00	8.40	19.10	18.90
	Veal	28.60	9.00	5.20	8.20	33.80	17.10
	Krasang	17.60	5.70	13.50	5.30	30.70	11.00
	Boeng	15.80	10.80	16.60	17.70	42.40	28.50
	<b>SubTotal</b>	<b>18.10</b>	<b>9.60</b>	<b>14.00</b>	<b>11.50</b>	<b>32.10</b>	<b>21.10</b>
Krabei Riel	Ta Ros	17.10	12.60	23.30	26.70	40.30	39.30
	Roka	13.90	14.10	17.90	21.70	31.80	35.90
	Prey Pou	12.80	11.90	6.40	8.30	19.20	20.20
	Totea	13.70	8.10	5.30	12.10	19.00	20.20
	Krasang	10.40	5.20	12.50	10.40	22.90	15.70
	Popis	17.10	7.70	15.80	19.80	32.90	27.50
	Trapeang Veang	11.60	17.80	18.60	16.80	30.20	34.70
	Kouk Doung	17.10	8.30	11.00	21.00	28.10	29.30
	Boeng	15.90	14.40	9.50	19.40	25.40	33.80
	Prama	16.90	19.50	14.10	24.10	31.10	43.70
	Khnar	23.70	22.30	19.80	18.00	43.50	40.30
	Prey Krouch	16.70	15.80	10.50	26.30	27.20	42.10
	<b>SubTotal</b>	<b>16.00</b>	<b>13.70</b>	<b>13.70</b>	<b>19.70</b>	<b>29.71</b>	<b>33.40</b>
Nokor Thum	Rohal	25.20	33.10	25.20	32.40	47.70	65.50
	Srah Srang Cheung	20.90	5.40	24.90	26.00	45.80	31.40
	Srah Srang Tboung	24.10	22.00	26.50	28.00	50.60	50.00
	Kravan	31.10	24.00	30.20	30.60	61.30	54.50
	Areaks Svay	32.00	13.30	30.50	20.70	62.50	34.10
	Anhchanh	34.00	16.00	21.00	37.60	56.60	53.50
	<b>SubTotal</b>	<b>29.13</b>	<b>19.20</b>	<b>24.56</b>	<b>31.90</b>	<b>53.70</b>	<b>51.00</b>

Source: CMP (2012, 2014)

The above poverty analysis is based on households, not individuals and relies on socio-economic data collected by local authorities, government agencies and financial statistics from the WB and ADB. Most poverty studies were also informed by outsiders, not villagers who have experienced this chronic problem firsthand. Therefore, I would argue the voices, experiences and perceptions of villagers should be taken into account when analysing poverty.

#### 5.5.5. Local perceptions of poverty

Some indicators used for the classification of poverty are easy to verify and observe (e.g. housing materials and ownership of durable goods). Other variables, such as main income activity, dependency ratio, or household crises or shocks are more difficult to

verify. There is also an issue related to the relevance of these indicators, as they do not always reflect the villagers' perceptions of poverty. Moreover, a few officials, some village chiefs and villagers have disagreed with indicators used to identify poverty, because these variables are not relevant to all villages in Cambodia.

A village chief in Chreav commune, for example, disagreed with using housing conditions and asset ownership to identify poor households in his village. He stated that some villagers in his village sold their farmland to build new houses, buy motorbikes, mobile phones and other electronic equipment, but they did not have permanent jobs to earn income to support their families. Some have to borrow money from microfinance institutions (MFIs) to complete house construction. From his point of view, these apparently asset-rich people are poor. Another village chief in this commune, responsible for signing and certifying documents or contracts for villagers to borrow money from MFIs, agreed that observing housing materials and assets that people own cannot measure poverty accurately. He added that many larger houses are mortgaged to the banks and the owners do not actually hold the title. Similar to the village chief's perception, an official of Siem Reap planning department agreed that owning assets such as TVs, mobile phones and vehicles does not mean asset owners are no longer poor. He claimed that some people are materialists, motivated by new products through advertisements, so they have borrowed money to buy these goods. These people are easily trapped in poverty because these goods are not productive and they have to repay what they borrowed to lenders.

However, a villager living in Nokor Thum commune agreed with indicators used by the government to identify poor households and he provided concrete evidence about the poverty of his household when he was asked about poverty in his village. He pointed out:

*Look at the clothes my family members wear, look at my sleeping place, blankets and mosquito nets, look at my farm equipment, look at the dirty floor, the holes in the wall and the roof of my house; what you see is the real poverty my family has experienced for many years.*

Another poor villager stated that “*we are poor because we are jobless. Besides farming work, it is difficult for us to find additional jobs with good wages. Sometimes, we get construction work with low wages*”. Similar to this poor man, a village chief agreed that

lack of jobs or low paid jobs are the main roots of poverty in his village. Villagers do not earn much, but they have to spend a lot of money on medicines, clothes and additional school fees for their children, although public schooling is supposed to be free for all children. Food is very expensive in this tourist destination, as compared to other areas, and there is a large imbalance between villagers' income and expenditure. The village chief mentioned above disagreed with people who believe that when people spend more they cannot be poor. He revealed that some villagers had to borrow money from MFIs and informal money lenders to redress the gap in their income/expenditure imbalance. Ultimately, they have to sell their personal property to pay back their loans and that is when they fall into poverty.

Another village chief in the same commune talked about the poverty situation villagers faced, noting that some of the poorest households lack livelihood assets, access to employment and credit. They are unable to finance their children's education and cannot even borrow to do so, as they cannot provide any security to MFIs or money lenders. Ultimately, many young people from these poorest households migrate to other places in Cambodia or Thailand to find jobs, while those from other provinces of Cambodia migrate to Siem Reap for tourism employment. This phenomenon or movement is the indicator showing that the poorest households or locals who lack education qualifications have no access to tourism jobs or related businesses.

Village chiefs and some other respondents stated that poverty encourages many young people from poor households in the province to migrate to Thailand and other countries to find jobs to get better pay. Most villagers have difficulty accessing tourism jobs or can only get jobs with low wages. Therefore, they decide to leave their families for work in other countries although some of them have bad experience overseas. Others are apparently more fortunate. A female respondent whose children have migrated illegally to Thailand told me that

*although they face more challenges and difficulty for working and living conditions there, the wage they got there is better, if compared to jobs in Siem Reap. My children work on a farm and the farm owner allows them to stay there because they don't want Thai immigration police to discover them. I used their remittance to reconstruct my house and bought a motorbike.*

A village chief in Norkor Thom commune told me that the government does not supply electricity and running water to villagers although our village is close to municipal offices, downtown and ancient temples. This village, located within the temple complex, is only 3 kilometres from the provincial government office, councils and other department offices and 12 kilometres from the tourist centre in downtown Siem Reap. Villagers use poor quality ground water, which they purify using traditional methods and this is very time consuming. Although there is an electricity supplier, using a generator to supply electricity a few hours/day in this area, only a few villagers can afford the high prices charged for this service. While electricity costs are USD 0.20/kWh downtown, villagers in Nokor Thum commune have to pay USD 1.00/ kwh to the electricity supplier who received a licence to run this business in the area. This village chief complained that *“the poor become poorer because they have to pay more than the rich”*. His view was that without access to education, health services, job opportunities and daily basic needs, such as electricity and water, villagers cannot escape poverty.

## **5.6. Concluding remarks**

Although tourism growth in this region has brought economic benefits and stimulated the local economy, the socioeconomic situation and livelihoods of local communities in study communes have not improved significantly over the last two decades. For example, local residents living in three study communes had no access to running water. Education and health services have not been enhanced. There was no high school in study communes and most students drop out of school because they cannot afford to enrol in high school downtown. Most local communities relied on hospitals operated by charity funds contributed by generous donors and some responsible tourists. Housing conditions have improved slightly in the last three years. However, most houses in Chreav and Krabei Riel communes and the majority of houses in Nokor Thum commune had electricity and TV. With the exception of main roads leading to some main temples in the Angkor complex and national roads to the airport, which were frequently maintained, most roads in villages and some roads in the city were in poor condition. Insufficient running water downtown and in communes in Siem Reap town encourages local residents, hotels and other business establishments to use pump wells to extract ground water. Regarding local communities' livelihoods, most residents have

agriculture as their primary and secondary occupation. A small percentage is involved in handicraft production and services. Only a few people in each village in these study communes participated or got jobs in the tourism value chain such as transportation, accommodation, restaurants and entertainment. The number of local residents involved and employed in production and businesses in each commune was low. Poverty still exists in these communes. Based on poverty statistics released by the CMP, many households in each study commune are trapped in poverty. Therefore, tourism growth does not impact significantly on the socioeconomics, livelihoods, employment, businesses, production activities and poverty of local residents living in these study communes.

## CHAPTER 6: AGRICULTURE-TOURISM LINKAGE

### CONSTRAINTS

*Farmers face big challenges...Without support from government and cooperation of hotels and restaurants, the dream to link agriculture and tourism is hard to attain.*

A leader of farmer association A

#### 6.1. Introduction

This chapter presents the agricultural value chain situation in the study area. It discusses the significance of agriculture–tourism linkages, as well as factors constraining these linkages, including barriers faced by local farmers in supplying agricultural products to restaurants and hotels and further, what should be done to strengthen agriculture–tourism linkages.

Building on such linkages in some developing countries, I explored the agriculture–tourism value chain in the study area, identifying the extent to which local farmers benefit from the influx of tourists. While other studies have tended to focus on demand, the approach in this study is toward supply, taking the perspective of local farmers and a few stakeholders involved in agriculture and the tourism sector. This represents a gap in knowledge, which is significant for supporting the poor to receive economic benefits from tourism growth in Siem Reap.

However, although local farmers are the key informants for this chapter, it also includes statistics gathered from government authorities, and face-to-face interviews with various stakeholders to capture the context within which farmers operate. The interviews were supplemented with observation during frequent visits to three local markets in the provincial capital Siem Reap, to investigate types of vegetable traded, to identify crops grown and infrastructure.

Having noted only insignificant backward linkages from tourism to the three communes, the first stage of the research identified and ranked factors inhibiting such linkages, through informal conversation, semi-structured interviews and discussions with officials, village chiefs and local informal farmer associations. Respondents

identified constraints and other problems which were listed in a questionnaire, designed for farmers to rank factors preventing them from selling farm produce to the tourism sector. In the second research phase, this questionnaire was administered to 10 farmers in each of the three communes, selected through a snowball method, starting with suggestions made by village chiefs. Thus the core research question raised here is: *What are the constraints faced by local farmers to supply produce to the tourism market?*

## **6.2. Factors constraining agriculture–tourism linkages: evidence from the literature review**

The potential of local farmers to supply food to the tourism sector through backward linkages, thereby stimulating local agriculture development, is well recognized (Ashley & Mitchell, 2006; Rogerson, 2012a; Torres & Momsen, 2004). However, the relationships between agriculture and tourism sectors in developing countries have not always been symbiotic and sometimes increased demand for imported food, which has harmed local farm production, endangering the survival of local communities (Asiedu & Gbedema, 2011). Despite an abundance of locally produced food in most South Pacific Island countries, foreign tourists consume almost entirely imported food (Berno, 2011). According to the Food and Agriculture Organization (FAO, 2012), synergies between the agriculture and tourism sectors, realised by strengthening linkages, could facilitate the contribution of tourism to sustained growth and poverty reduction, as tourism destinations in many developing countries are located in regions where farming dominates the livelihoods of the poor. FAO's attention to poverty reduction is important, as linkages between agriculture and tourism do not necessarily reduce poverty, as illustrated in studies in South Africa (Pillay & Rogerson, 2013) and Kenya (Steglich, Keskin, Hall, & Dijkman, 2012).

Addressing agriculture and tourism in Pacific Island countries, FAO (2012, p. 5) noted that the two sectors “have been pursued separately and policy and institutions have not been geared toward fostering positive linkages”. Without linkages at the local level between the two sectors, communities could forego an important element of tourism's potential contribution to local development and poverty reduction (Meyer, 2007; Torres, 2003; Torres & Momsen, 2004). Studies in several countries have identified similar constraints or factors preventing strong linkages from developing between these two

sectors. There is no standardised way of classifying these factors. In earlier research, they tended to be listed, rather than classified. Belisle (1984, pp. 825-826) identified six reasons, including a mix of demand- and supply-related factors, for hotels using imported food: items not available from local suppliers in sufficient quantities, cheaper, better quality, more regular supply, more convenient and tourist preferences.

Torres (2003) placed the constraints in Cancun into three categories: production, demand and marketing, with some overlap. Inadequate market access was also listed as a production constraint, reflecting that it is often demand and marketing factors that contribute to supply constraints. A key reason as to why the pro-poor supply chain interventions in Cancun were unsuccessful was that demand and supply factors were considered separately (Torres, 2003). Summarising factors influencing tourism–agricultural linkages from several studies, Meyer (2007) incorporated intermediary factors into the marketing category, adding government policy as a separate group. The FAO (2012) adopted similar categories, structured into policy and institutional settings, including demand and supply of products and services and areas for synergy or conflict. Hunt and Rogerson (2013) and Pillay and Rogerson (2013) retained the Meyer (2007) classifications in a study on the agriculture–tourism nexus in southern Africa.

Although the empirical research reported in this paper identified many issues similar to those found by others, the findings have been classified into different categories to reflect the coding of research results, based on expressions arising from field interviews. This is explained by farmers, being the key informants in our study, whereas, with some exceptions (e.g. Telfer & Wall, 2000), informants have tended to be tourists (Torres, 2002) and more frequently decision makers in tourism enterprises (Belisle, 1984; Hunt & Rogerson, 2013; Pillay & Rogerson, 2013). As the respondents in our study were too far removed from the market to provide useful insights into demand issues, factors in the demand category were incorporated into market access. The types of tourists visiting a destination influence market access, in that tourists not interested in the local cuisine limit access by farmers specialising in such produce.

Supply related factors have been separated into socioeconomic, technological and agro-ecological factors. Infrastructure, training and other government responsibilities have been classified as institutional factors. Another key difference between the classification

in the summary tables produced by Hunt and Rogerson (2013) and Meyer (2007) is that those tables were referred to as influences on agriculture–tourism linkages, whereas the term used in this chapter is ‘constraints’. The different terminologies reflect the perception of informants: factors influencing the purchaser’s decision become constraints faced by farmers. The rest of this section illustrates how such constraints have been identified in other studies.

#### *Market access constraints*

The profile of tourism establishments can influence market access, with large establishments more likely to purchase imported food. This was found by Scheyvens and Russell (2012) in their study in Fiji, where the largest resort imported 99% of its food and smaller operations procured 80-90% locally. Similar findings were made by Rogerson (2012b) for luxury safari operators in South Africa, Trejos and Chiang (2009) in Costa Rica, Telfer and Wall (2000) in Indonesia and Belisle (1984) in Jamaica.

Other factors listed under demand include types of tourists, maturity of tourism sector, inadequate promotion of local food/cuisine, health and safety, attributes of chefs and seasonality (Hunt & Rogerson, 2013; Meyer, 2007). These authors included the following under marketing and intermediary factors: marketing and infrastructure constraints, supply poorly adjusted to demand, spatial patterns of supply, role of intermediaries, kickbacks and mistrust. The inability of decision makers to speak local languages (Hunt & Rogerson, 2013; Pillay & Rogerson, 2013) and preference of tourism enterprises to deal with wholesalers rather than many small producers (Torres, 2003) also inhibit local purchasing. Such inclination towards convenience and efficiency has also been noted in developed countries (Murphy & Smith, 2009), pointing to the importance of incorporating the whole supply chain in addressing agriculture–tourism linkages.

#### *Supply-related factors*

Quantity, quality, lack of consistency, availability and price of locally produced food as well as technological and processing facilities have commonly been mentioned as supply-related factors (Hunt & Rogerson, 2013; Meyer, 2007) These constraints can stem from environmental factors, such as soil and climate as well as socioeconomic

factors, for example, under capitalisation and skill shortages among local farmers (Pillay & Rogerson, 2013) These issues have usually not been addressed, as research has mainly been conducted from the perspective of decision makers in the tourism sector.

### *Institutional constraints*

Institutional constraints can range from practices adopted by major tourism operators to inadequate road infrastructure. The South African Tourism Black Economic Empowerment Charter, which has encouraged some tourism operators to help small local businesses become regular food suppliers (Ashley & Haysom, 2012), is one example of a government alleviating institutional constraints. The Fair Trade in Tourism South Africa (Strambach & Surmeier, 2013) certification program contributed to increasing procurement of local goods, but was not successful in establishing food enterprises for the high-end market (Rogerson, 2012a). This was mainly due to institutional factors such as poor management, inadequate capacity within communities and organisational skills to run community farming projects. A major finding was about insufficient economies of scale, in that while one farmer could have supplied one or two tourism operators, this would not be commercially viable. Therefore, Rogerson suggested it would be necessary to forge linkages within the tourism sector and across other sectors, such as retail outlets for fresh produce. Illustrating policies that facilitate substitution of imported food with local food, Belisle (1984) noted that the imposition of food import restrictions by government in the 1970s encouraged development of the Jamaican food processing sector, replacing hotel use of imported canned food with local preserves. While free trade agreements limit the ability of most governments to resort to such coercive policies, they can stimulate local food processing.

## **6.3. Agriculture in the Siem Reap-Angkor region**

### 6.3.1. Agriculture: main livelihood of local communities

Agriculture, mainly subsistence, is the key livelihood in the three communes in this study, with an average of 84% of families working in this sector, ranging from 79% in Nokor Thum to 90% in Krabei Riel (NCDD, 2009). According to official figures compiled by SRPDP (2015), the percentage of local residents whose primary occupation

is agriculture has decreased over the last three years. In Chreav, it decreased from 75.9% in 2012 to 67.5% in 2014. In Krabei Riel, it decreased from 90.9% to 87.9% and from 59.9% to 55.1% in Nokor Thum. This trend indicates that tourism does not contribute to agricultural development in these communes.

**Table 6.1: Primary occupation trends of residents in agriculture in study communes**

Communes	Description	2012	2013	2014	
Chreav	Employment in agriculture (%)	75.90	73.00	67.50	
	Includes	Rice farming	480	48.00	46.20
		Long-crop farming	3.00	1.90	0.70
		Short-crop farming	3.40	1.40	0.00
		Vegetable growing	19.90	19.90	18.40
		Fishing	1.10	1.20	1.40
		Livestock	0.50	0.60	0.80
Krabei Riel	Employment in agriculture (%)	90.90	90.00	87.90	
	Includes	Rice farming	88.70	86.10	81.80
		Long-crop farming	0.00	0.30	0.10
		Short-crop farming	0.90	1.00	2.30
		Vegetable growing	0.70	1.40	2.20
		Fishing	0.20	0.20	0.20
		Livestock	0.50	1.00	1.40
Nokor Thum	Employment in agriculture (%)	59.90	56.20	55.10	
	Includes	Rice farming	58.40	50.90	51.60
		Long-crop farming	0.10	0.60	0.60
		Short-crop farming	0.90	1.00	1.30
		Vegetable growing	0.00	2.40	0.90
		Fishing	0.00	0.00	0.00
		Livestock	58.40	50.90	51.60

Source: SRPDP (2015)

**Table 6.2: Land use and landholdings in the three communes**

Description	Nokor Thum	Chreav	Krabei Riel
Total land size of commune (ha)	5,490	5,763	19,014
Residential land (ha)	1,144	1,17	177
Agricultural land (ha), including	2,746	2,352	1,607
Dry rice field (ha)	0	921	550
Rainy rice field (ha)	1,500	1,304	1,057
Short-term crops field (ha)	1,000	127	0
Long-term crops field (ha)	246	0	0
Other land field (ha)	1,600	3,294	17,230
% farmers owning less than 1 ha rice land	21.7	76.9	55.7
% farmers owning no rice land	27.9	5.5	10.1

Source: SRPDP (2012)

There is no official information about what kind of vegetables grow in these areas. However, observation and interviews with members of the local community indicate that farmers grow more than 20 vegetables and herb varieties, but not the vegetables

most in demand by hotels and restaurants. Nearly all villagers mostly grow rice. Another problem is that the landholdings are very small (see Table 6.2).

Most local residents raise livestock on a subsistence level (see Table 6.3). Only a few families: four in Nokor Thum and two in Chreav and Krabei Riel raise fish, but none of them raise lobsters or shrimps which are used in many restaurants. Moreover, the total number of livestock raised in all communes in the Siem Reap district was insufficient to meet the demand of the tourism sector. Discussions with government officials and traders indicate that, as a result, large quantities of meat are imported, mainly from Thailand and Vietnam. High volumes of some fruits, including durian, rambutan, mangosteen, apple, coconut and mango are also imported, especially from Thailand and Vietnam. Farmers producing surplus vegetables, normally small amounts, beyond subsistence, tend to sell these to intermediaries or at local markets without knowing if the produce will end up in the tourism sector. This means there is no feedback to farmers as to whether the food they produce is in demand in that sector.

**Table 6.3: Number of livestock and percentage of families raising livestock**

Type of animals	Nokor Thum		Chreav		Krabei Riel	
	% of families	No. of animals	% of families	No. of animals	% of families	No. of animals
Ox	12.8	685	26.45	2,096	53.37	1,905
Buffalo	1.79	121	9.58	786	11.6	555
Pig	4.82	517	2.85	978	25.93	831
Chicken	52	4,575	50.48	11,570	81.91	6,756
Duck	2.71	429	13.45	6,755	4.8	7,813
Crocodile	0	0	0.23	2,675	0.06	3,500

Source: SRPDP (2015)

A commune chief told me that the increasing number of tourists in Siem Reap provides a great opportunity for local communities. He claimed that if local farmers can produce surplus produce and supply this produce to hotels and restaurants, their living standards will be improved. However, a leader of farmer association A told me that the capacity of local farmers to increase productivity and diversify produce is limited and intervention from government agencies is needed to improve this capacity. He added that the growth of tourism in Siem Reap can provide both advantages and disadvantages to agricultural development in this region: “*tourism might ruin agriculture or might be an engine to enhance this sector*”. He also told me that although some farmers can supply vegetables to small restaurants whose customers are locals and domestic tourists,

some farmers had sold their farmland and given up their traditional occupation in exchange for non-tourism or related tourism employment because they had lost confidence in farming. According to him, large quantities of imported produce have discouraged local farmers from expanding their farming activities. He also mentioned that, the increasing land price resulting from tourism development has motivated local farmers to sell their land. This respondent claimed that more farmers will continue to sell their land or cease farming if their earnings are too low. He urged tourism stakeholders, including the government, to support local farmers with capacity building, extension services, infrastructure development and marketing.

Responding to issues raised by local farmers, a respondent working in Siem Reap Provincial Department of Agriculture (SRPDA) claimed that the RGC considers agriculture as one of four leading sectors in the Cambodian economy and this sector is considered as an effective tool to accelerate economic growth and alleviate poverty. For instance, in the National Strategic Development Plan (NSDP), 2009–2013, the main goal of the RGC is “poverty reduction and economic growth through enhancement of agriculture sector development...to ensure food security, increase incomes, create employment and improve nutrition status for all people by improving productivity and diversification, and commercialization of agriculture” (RGC, 2010, p. 30). In the Agriculture Sector Strategic Development Plan, 2006–2010, there are seven strategic objectives for agriculture development. And four of these objectives are: improvement of food security, productivity and diversification, enhancing extension systems, and promoting market access for agricultural products. These objectives are also included in the NSDP, 2014–2018 (RGC, 2014). In the RGC’s Rectangular Strategy, agricultural development, and infrastructure construction and rehabilitation are also considered a basic foundation as well as effective tools to reduce poverty and accelerate national economic growth. However, there did not appear to be specific programs to implement these strategies effectively in the Siem Reap-Angkor region.

This was confirmed by a retired civil servant who claimed that government officials often repeated what is in the plan, but he had not seen any implementation of this plan. He complained that officials always declare that increasing agricultural productivity and improving diversification of agricultural products are the main priorities of government:

*I have listened to what they said for long time. Now, I do want to see the real measures to be done by the government to support local farmers to improve and diversify their productivity so that they have ability to sell their produce in tourism market.*

A village chief told me that the main livelihood of most villagers is agriculture, and they need support from the government to increase and diversify their produce and to find markets. A respondent working in the Siem Reap agriculture department told me that without government intervention and investment in the agricultural sector, local farmers cannot gain economic benefits from tourism growth. His view was that the barriers preventing local farmers from producing agricultural products for tourist consumption can be addressed by government intervention.

### 6.3.2. Missed opportunity

In Cambodia, the majority of the population relies on farming. However, agricultural products produced in this country cannot meet the demand of both tourists and its population. As a result, there is economic leakage in the tourism industry of large quantities of imported agricultural goods from neighbouring countries.

The Cambodian Prime Minister claimed that in 2012 USD 400 million, of Cambodia's USD 2 billion tourism income flowed out of Cambodia, to fund agricultural imports (*Raksmei Kampuchea Daily Newspaper*, 2012). Although there were no official statistics about the quantity of agricultural products imported to this tourist destination, a respondent working for the SRPDA also admitted that most of vegetables, fruits and meats are imported and local farmers cannot produce enough food to supply tourist demand. Cambodia's weakness in terms of food production enables neighbouring countries, such as Vietnam and Thailand, to gain a high market share. He added that agricultural products imported from these two countries cover a large proportion of the vegetable demand in Siem Reap. A civil servant told me that agriculture and tourism have been considered by the RGC to be two key sectors for boosting household income and reducing poverty, and linking agriculture to tourism could be a powerful tool for poverty alleviation, but no measure has been taken to support local farmers to produce more agricultural products for the tourist market.

A retired civil servant told me that government officials clearly know about the significance of agriculture–tourism linkages because they always raised this issue in

public, but nothing has been done so far to promote this linkage. He said “*what they said disappeared in the air. They should take more action to support local farmers. Action is better than speaking*”. A leader of informal farmer association A requested local authorities, government agencies and tourism stakeholders to support local farmers. He said:

*If they want us to get benefit from tourism; it is time for them to help us. There are some obstacles and constraints we face and some of them we can't address by ourselves. Without their coordination and support, we are unable to produce more food to supply to tourism sector. We deeply regret to lose this opportunity.*

According to roadside vendors, some of the fruits they sell are imported from Thailand and Vietnam. As perceived by these respondents, local farmers supply small quantities of food to this sector, and government officials and traders indicated that most of the vegetables and meat consumed in hotels are imported and hotels do not do much to promote Khmer dishes. A respondent from the CMT whose main job is to inspect restaurants in luxury hotels also perceived that only a small percentage of local products have been used in Siem Reap. When asked what kind of evidence substantiated this claim, this respondent simply told me the evidence is based on menus and purchasing lists she received from the restaurants. She added that “*if we look at menus at big restaurants or in hotels, most dishes are not Cambodian ones and some ingredients are not produced in Cambodia*”.

### 6.3.3. The dream that never comes true

Agriculture can play an important role to support the rapidly growing tourism sector in developing countries (UNWTO, 2013). Strong linkages between the two sectors have the potential to contribute to poverty alleviation in regions where the majority of the population relies on agriculture, thereby retaining more tourism spending in local communities (Torres, 2003). Several scholars have highlighted the importance of increasing the use of local food produce to maximise the benefits of tourism to local communities (Belisle, 1984; Hunt & Rogerson, 2013; Telfer & Wall, 2000; Trejos & Chiang, 2009). However, despite the many potential benefits from such linkages in developing countries, they have not always been realised (Hunt & Rogerson, 2013). In the case of Siem Reap, government officials and local communities, especially farmers, are optimistic about tourism growth, hoping their livelihoods would be diversified and

their living standards would be improved. However, after nearly two decades of the tourism boom, their dream has not come true.

A village chief told me that at the beginning of this boom, the majority of villagers whose main livelihood is agriculture hoped they would be able to diversify their produce and sell it to the tourism market in a profitable manner; however, everything is worse than expected. Local farmers cannot profit from tourism because they do not have the ability to produce more or diversify their produce. Similarly, a leader of informal farmers association B remarked that he has a dream that tourism is able to bring more money to farmers who would sell vegetables to hotels and restaurants, but his dream to profit from the tourism sector has never materialised. He claimed that his members have never sold their produce directly to hotels and restaurants because they do not have networks or know how to access those hotels and restaurants.

Based on my observation in local markets and my interviews with officials and local residents, most produce in the tourist sector is imported from Thailand and Vietnam. Only a small amount of agricultural products grown by local farmers and elsewhere in Cambodia was found in those local markets. Talking with local farmers who sold their vegetables in the local market, I found that local residents are their customers, not hotels or restaurants. A wholesaler at the market told me that local farmers cannot produce large quantities of vegetables and this is why he has to buy imported products to supply to his customers at hotels and large restaurants.

A respondent who had worked at SRPDA for nearly 20 years told me that tourism is considered as a catalyst to develop agriculture in the Siem Reap-Angkor region, and most of his colleagues also expect that tourism growth would accelerate the local economy, increase household income and reduce poverty. He said that “*we think local farmers can catch this opportunity to diversify their products, unfortunately what we expected doesn't come true*”. A village chief told me that most farmers in her village have a small plot of land only and this is why they cannot grow more produce.

Based on interviews with restaurant owners and purchasing managers in hotels, most small restaurants have bought domestic agricultural products from local markets, while most hotels prefer to buy from wholesalers whose goods are imported. This indicates that only small quantities of local produce have been used in the tourism sector. This

issue has been known to the public for many years, since the growth of tourism in this province. According to the Cambodia Green Growth Roadmap (KoC, 2009, p.29):

To link agricultural production with the markets, the development of a policy or strategy is needed by encouraging hotel and restaurant owners to use more local products for food, including organic foods and other products – with the added requirement for a certification and labeling system. It is evident that currently only a few hotel and restaurant owners use domestic food and products.

The need for such a strategy was echoed in the national Tourism Development Strategic Plan 2012–2020 (CMT, 2012), but there are no indications of how this strategy would be implemented.

This awareness of the importance of linkages between the two sectors is encouraging, but it is doubtful if creating them should be the responsibility of the tourism sector alone. Governments can also facilitate such linkages, by establishing partnerships across the sectors. But even the best intentions of governments are insufficient. At the inception of the tourism sector in Cancun, the Mexican tourism authority declared the development of regional agriculture as an important goal. However, according to Torres (2003), operators found it more efficient to procure food at a major wholesale market in Mexico City, leaving only 6% to be purchased from local farmers. While local purchases are not necessarily pro-poor (Pillay & Rogerson, 2013), there are cases where local agricultural products supplied to hotels have had considerable poverty reduction outcomes (Ashley et al., 2007). This study explores how lessons learned from these successes can be applied to Siem Reap, where major tourism establishments predominantly source imported food rather than local produce. By understanding factors constraining agriculture and tourism linkages, strategies for overcoming these constraints should be formulated.

#### **6.4. Constraints in linkages between agriculture and tourism in study area**

To illustrate reasons for the weak agriculture–tourism linkages, the research findings are summarised into constraints faced by local farmers in supplying their produce to the tourism market, as identified in the first stage of the field research and shown in Table 6.4. These are classified into market access, supply and institutional constraints.

Market access constraints include lack of market information, inability to compete against imports, poor connections between farmers and the tourism sector, and no initiatives from the tourism sector to establish linkages and low prices. The supply constraints have been categorised under socioeconomic, technological and agro-ecological. Major socioeconomic constraints are lack of skilled labour, small landholdings, lack of financial capital, high prices of inputs, shortage of farm equipment and price fluctuations. Storage problems, poor technical knowledge, reflected in improper use of chemical inputs, and lack of quality crop varieties and animal breeds are defined as agriculture–technical constraints.

**Table 6.4: Agriculture–tourism linkages – constraint categories**

<b>Supply constraints</b>				
<b>Market access constraints</b>	<b>Socioeconomic</b>	<b>Technological</b>	<b>Agro-ecological</b>	<b>Institutional constraints</b>
Insufficient market information	Shortage of labour	Diseases, pests, insect and plant protection problems	Dependence mostly on rainfall	Lack of irrigation systems
Inability to compete with imports	Small landholdings	Storage problems	Low soil fertility	Inadequate basic infrastructure (road, electricity)
Poor connection between farmers and tourism outlets	Lack of financial capital	Lack of agricultural know-how	Soil texture(sandy clay soil)	Inadequate agricultural know-how training
No initiatives from the tourism sector to create linkages	Inadequate agricultural inputs and farm equipment	Fertiliser and pesticide problems	Environmental problems (climate change, drought, heavy rain, flood)	Inadequate extension services
Low prices of agricultural products	High cost of inputs (fertiliser, pesticide, seeds)	Lack of good quality crop varieties and animal breeds	Water pollution	Inadequate support from government sectors

The main agro-ecological constraints mentioned above were unreliable rainfall, environmental problems and infertile soils. Climate change and unreliable weather were also reported as serious problems. Insufficient support from government sectors, inadequate infrastructure, ineffective or no agricultural extension services and agricultural know-how training are defined as institutional constraints.

Respondents ranked the constraints on a scale from 1 to 5, with 1 being most and 5 least important. The extent of these constraints varied in the three communes, as shown in Tables 6.5 to 6.8.

#### 6.4.1. Market access constraints

Inability to compete with imported products was perceived as the major market access challenge (Table 6.5). Leaders of farmer associations admitted that local products cannot compete with imports in terms of quantity, quality and appearance. Factors other than low prices were thus perceived as key issues. A farmer claimed that *“we are always concerned about the agriculture market in harvest seasons. The more we produce the more imported products we find in the market. This is the reason most of farmers don’t want to grow more”*.

**Table 6.5: Market access issues perceived by local farmers**

Market access issues	Krabei Riel	Chreav	Nokor Thum
	Rank	Rank	Rank
Inability to compete with imported products	1	1	3
Lack of market information	2	3	4
Poor connection between farmers and the tourism sector	3	2	2
No initiative from the tourism sector to establish linkages	4	5	1
Low price of agricultural products	5	4	5

Note: 1 – very important; 2 – important; 3 – moderately important; 4 – somewhat important; 5 – least important

From discussions with some hotel establishments, it emerged that local farmers are unable to consistently supply the quantity and quality of produce required: a particular problem for hotel chains that might want to maintain similar standards in their hotels. A hotel general manager claimed *“we really want to use local products, but farmers have to make sure they can supply the quality and quantities we require”*. A leader of farmer association A admitted *“local farmers cannot supply shrimp, lobsters, meats such as beef, pork, chicken and specific vegetables to hotels and restaurants because they don’t have farms raising these [products] or grow the vegetables consumed by foreign tourists”*.

The inability to supply sufficient quality and volumes is related to the factors shown in Tables 6.5 to 6.8. But from the perspective of farmers, without connections with hotels, they had no information on agricultural product demand. The same respondent added

that “*although we can’t supply all produce consumed in hotels, our association can supply some kind of vegetables and fruits to tourists if hotel or restaurant owners provide us this opportunity and they really want to support us*”. A leader of farmer association B said:

*We usually sell our produce to intermediaries or in local markets only and don’t know exactly what kind of agricultural produce or how much of it is consumed in hotels or restaurants because we have never had any connection with hotels or restaurant owners. If we know about this demand, we can produce more [produce] to meet their requirements.*

Hotel managers and leaders of farmer associations agreed that the relationships between the two sectors are inadequate. This could partially be explained by the absence of formal farmer organisations that could communicate demand and supply issues with the tourism sector. They suggested the provincial government should coordinate linkages between the sectors.

#### 6.4.2. Supply constraints

Turning to socioeconomic issues, shortage of labour, while raised in the initial discussion, was not ranked as a major problem, as shown in Table 6.6. Despite some farming family members working in the tourism sector, the respondents considered they were sufficiently available to assist with farming when required. It might also be that, due to the magnitude of the other constraints, access to labour at critical times did not seem of much concern. Identification of small landholdings as a constraint can be triangulated against the average land sizes shown in Table 6.2. This small-scale production might explain why farmers considered they could not compete against imports. Farmers grow vegetables around their houses and/or in their rice fields after the rice harvest. To increase yields, many farmers use chemical inputs which need more financial resources.

**Table 6.6: Socioeconomic issues perceived by local farmers**

Issues	Krabei Riel	Chreav	Nokor Thum
	Rank	Rank	Rank
Lack of financial capital	1	3	2
High cost of inputs (fertiliser, pesticide, seeds)	2	2	3
Small landholdings	3	1	1
Inadequate agricultural inputs and farm equipment	4	4	4
Shortage of labour	5	5	5

Note: 1 – very important; 2 – important; 3 – moderately important; 4 – somewhat important; 5 – least important

The lack of financial capital includes inadequate access to credit, limiting access to productive resources; thus it is understandable that this was considered the second most important constraint. Microfinance institutes play a key role in providing loans to the poor, but it is difficult to find evidence showing that they really help farmers to expand their farming and contribute to poverty reduction. Claiming that most farmers have insufficient funds for agricultural inputs or farm equipment, a village chief was of the view that although there are many microfinance institutions, some villagers are reluctant to borrow because of high interest rates. Some examples were given of villagers who had to sell their land to repay loans, including a female farmer, who claimed that the income from selling agricultural produce is insufficient to pay for interest rates and the high prices of agricultural inputs. She revealed that some villagers who borrowed from microfinance institutions had lost their land and properties because they were unable to repay the loans on time.

Another farmer concurred. He told me that although he did not have enough money to buy agricultural inputs for farming, he decided not to borrow money to expand his farming, because he was told that farmers who borrowed from microfinance institutes or informal money lenders have more risks than profit. According to a bank manager and a manager of a microfinance institution in Siem Reap, the number of bank branches, microfinance institutes and money lenders has increased significantly in recent years. These institutions provide loans to both local people and investors who have the ability to repay their loans. However, it was reported that high interest rates reduce the earnings of borrowers and discourage them from applying for loans.

One microfinance manager told me that only a small percentage of his customers are farmers because microfinance staff are reluctant to give loans to farmers who might not be able to repay their loans. He added that “*we have to consider carefully what assets they have before we decide to provide loans. Land title, housing condition, farm equipment, livestock and the crops they grow are indicators we make when deciding to give loans*”. This claim indicates it is difficult for poor farmers to get loans to operate their farms.

Another farmer who was trained by non-government organisations (NGOs) in vegetable growing techniques still practised traditional methods because he lacks financial capital,

commenting that high interest rates and expensive agricultural inputs prevent farmers from operating profitably. A leader of farmer association C claimed that “*we always spend more money on production costs because of expensive agricultural inputs and petrol. The return we get from selling our products can’t cope with the expenses on agricultural inputs*”. The problem of insufficient financial resources is compounded when selling to the tourism sector. Farmers, who sold to this market, indicated they could not afford the long delays they encountered in receiving remuneration from hotels, which have not been prepared to change how they operate to support local farmers. When supplying to the tourism market, farmers do not receive cash on delivery, as they do when selling their produce at the market or via intermediaries.

Many of the supply constraints identified in this research were also found by Thanh and Singh (2006) for rice farmers in India and Vietnam, in the context of promoting exports, rather than linking with the tourism sector. The key technical issues (Table 6.7) (i.e. making local produce uncompetitive and affecting the quality), were management of plant diseases, insects and pests. This was despite the fact that Krabei Riel and Chreav had the highest proportion of families using chemical pesticides in the district of Siem Reap (24.2% and 45.2% respectively) (NCDD, 2009). Chemical inputs are expensive and can be dangerous, particularly when the labels on illegally imported pesticides are written in Vietnamese or Thai (Jensen, Konradsen, Jørs, Petersen, & Dalsgaard, 2010). This was experienced by one respondent, whose health was affected by pesticides: “*income from selling vegetables was used to buy agricultural input, medicines and paying for my treatment. At the end, I got nothing*”.

**Table 6.7: Agricultural technical issues perceived by local farmers**

Issues	Krabei Riel	Chreav	Nokor Thum
	Rank	Rank	Rank
Disease, pests, insect and plant protection problems	1	1	2
Storage problems	2	3	5
Lack of agricultural know-how	3	4	1
Fertiliser and pesticide problems	4	2	3
Lack of good quality crop varieties and animal breeds	5	5	4

Note: 1 – very important; 2 – important; 3 – moderately important; 4 – somewhat important; 5 – least important

Some NGOs have tried to introduce organic farming methods in the study area, but according to the village chiefs, farmers reverted to conventional, chemical-assisted agriculture after the NGO ‘projects’ ceased, claiming their yields are higher with

chemical inputs. The quality of crop varieties and animal breeds was not perceived as a major problem, but an objective assessment concludes differently. The village chiefs explained that most farmers like practising traditional methods, which they learned from their ancestors. One village chief claimed that although some NGOs had introduced villagers to new seed varieties and techniques, including how to use organic fertilisers and composting, most farmers are reluctant to adopt these techniques. A farmer said *“I can’t adopt these methods because they are complicated and waste time and money...Moreover, I don’t want to grow salads and vegetables I have never grown before because I don’t want to take the risk”*.

Low soil fertility was identified as the major agro-ecological problem (Table 6.8). A village chief commented that the majority of villagers have used a variety of chemical fertilisers, believing that crops cannot grow without them. One farmer said *“the more chemical fertiliser I have applied, the higher the yields I have got and this indicates that chemical fertilisers have increased my vegetable produce”*. Another farmer revealed that *“farmers decide to use chemical fertilisers because the soil texture in this area is sandy and some farmers cannot grow vegetables in the rainy season”*. However, the percentage of families using chemical fertilisers in Krobei Rield, Chreav and Nokor Thum communes was 59.6%, 34% and 2.9% respectively, while the percentage of families using organic fertilisers was only 15.7%, 2.5% and 13.3% respectively (SRPDP, 2012).

**Table 6.8: Agro-ecological issues perceived by local farmers**

Issues	Krabei Riel	Chreav	Nokor Thum
	Rank	Rank	Rank
Low soil fertility	1	2	1
Environmental/climate change problems	2	1	4
Soil texture	3	4	2
Dependence mostly on rainfall	4	5	3
Water pollution	-	3	-

Note: 1 – very important; 2 – important; 3 – moderately important; 4 – somewhat important; 5 – least important

Although problems related to dependence on rainfall were not rated very highly, respondents were nevertheless very concerned about environmental problems, climate change, droughts, unexpected heavy rainfall and floods. Environmental problems were rated very highly in Chreav, despite dependence on rainfall not seen as a major concern.

### 6.4.3. Institutional constraints

While the average ratings for the five institutional issues listed in Table 6.9 were quite similar, centred on the average (3), there was considerable variance between the communes, possibly explained by available infrastructure. Some of the potholed roads make transport very difficult. Lack of irrigation systems was not rated a major issue in Nokor Thum and Krabei Riel, both of which have such systems (NCDD, 2009). In Chreav, which lacks irrigation, farmers rated this as an important issue. However, the village chiefs revealed that most farmers were unable to use irrigation systems, as they lacked access to canals or ditches and still used water from wells to water vegetables. A leader of farmer association D added “*insufficient support from government for basic infrastructure, agricultural knowhow training and extension services discourages farmers to produce more*”.

**Table 6.9: Institutional issues perceived by local farmers**

Issues	Krabei Riel	Chreav	Nokor Thum
	Rank	Rank	Rank
Lack of basic infrastructures (roads/electricity)	1	5	2*
Lack of extension services	2	1	1
Lack of support from government sectors	3	2	4
Lack of agricultural know-how trainings	4	3	3
Lack of irrigation system	5	4	5

Note: 1 – very important; 2 – important; 3 – moderately important; 4 – somewhat important; 5 – least important

Lack of extension services was perceived to be the main problem by those living in Norkor Thum and Chreav communes. A villager in Norkor Thum complained that most villagers have little access to extension services and electricity supply: “*Strict control of APSARA to implement government conservation policy in this popular tourist destination is the main barrier preventing NGOs and agricultural extension services to access this commune*”. As a result, most farmers there have little access to agriculture training programs. Another farmer said “*most villagers learn how to use chemical fertilisers and pesticides from the sellers or neighbours and they don’t know how to use these properly. This makes them more dangerous to both farmers and consumers*”.

Most farmers claimed that they never get support from the government with marketing or loans and have to pay high interest rates (i.e. 3% per month to microfinance institutions and 5% per month to informal money lenders). A farmer said that “*the*

*government should have policies to help us, otherwise most villagers, especially the young people, will give up agriculture and migrate to Thailand*". A farmer association leader claimed

*If the government had policies and strong commitment to support farmers with capacity building, reducing imported products, providing loans with low interest rates, facilitating market entry and avoiding agricultural product price fluctuation, I strongly believed that more people would invest in agriculture because they can see the great potential for agriculture in the tourism industry.*

In summary, and consistent with the literature on agriculture–tourism linkages in developing countries (Saarinen & Rogerson, 2014) the findings of the field research point to a strong association between supply and demand constraints, with different constraints reflecting the contexts of individual farmers.

### **6.5. Strengthening agriculture–tourism linkages: overcoming constraints**

While there are tourism destinations with physical constraints for increased agricultural output to meet demand from the tourism sector, for example, in Tapa, Vietnam (Truong, Hall & Garry, 2014), this is not the case in Siem Reap. Despite the small landholdings, the climate and terrain are suitable for multiple crops per year. According to Naron (2012, p. 62), the RGC “intends to transform the Siem Reap region into a green belt for agricultural production so that strong backward linkages of tourism with local agriculture could be established”.

As the overriding constraint is inconsistent supply, this must be addressed in opening the tourism market. However, farmers would only spend resources on improving outputs if they can be assured of market access once they are ready to deliver consistent supplies. Some companies (e.g. Spiers Leisure, a tourism operator in South Africa) (Ashley & Haysom, 2012) and Serena Hotels (2013) illustrate that by devoting substantial management time and commitment to assist emerging suppliers, it is feasible to integrate them into the supply chain. Lagging behind other sectors in corporate social responsibility (Ashley et al., 2007), such initiatives are not common practice in the fiercely competitive tourism sector. Combined efforts by different stakeholders would be required to facilitate the development of comprehensive policies and actions for improving linkages.

The key constraints suggest that innovative and supportive government policy interventions, aimed at improving the agriculture supply chain by fostering linkages between tourism and agriculture, would be necessary. How does the government or private sector deal with fragmented farmer communities that do not have representative organisations? Any attempt by the government to establish such organisations is likely to be met with mistrust, for the reasons outlined above. Instead of starting with building a farmer organisation, the development of this sector could start with a specific initiative, such as the delivery of some specific vegetable(s) or food processing, through which farmers would be encouraged to organise themselves to respond to this opportunity. The actual initiative could result from deliberations at a public meeting, called to discuss options for improving linkages between the two sectors.

This would represent a policy intervention with practical outcomes, both for the demand and supply sides, which, as suggested by Torres and Momsen (2004), if designed appropriately, could be pro-poor. The outcome of such deliberations could be an emphasis on promotion of authentic, locally produced Cambodian cuisine for tourists, a niche where local farmers would have a competitive advantage. Such an initiative would require a plan, addressing demand and supply simultaneously. The tourism sector would be responsible for promotion and farmers for producing key ingredients.

Constraints for any specific initiative would be identified and strategies developed to overcome them. Some options will not be feasible, such as produce requiring cold storage in a village without electricity. Other constraints, such as farmers requiring immediate payment, could be overcome through a government credit facility, where buyers are not able to assume this function.

Training for particular produce with guaranteed demand would be an important element in this effort. Through this process, interpersonal channels could be established and, as noted in the innovation theory literature, these initiatives are important in convincing individuals to adopt new ideas (Rogers, 2003).

The way in which Spiers Leisure contracted emerging suppliers, helping them start up and get established (Ashley & Haysom, 2012), could be another model for advancing the interests of farmers. However, this would only be possible with tourism enterprises

willing and able to take on such a large task. Monitoring the extent to which an initiative aimed at poverty reduction actually achieves this objective is critical.

While most hotels and restaurants in Siem Reap use only a small percentage of local agricultural products, a few tourism establishments have tried to support poor people in terms of capacity building, small community-based projects and purchasing local agricultural produce. These establishments have provided opportunities for some disadvantaged youth, and have also raised awareness among tourism stakeholders about “responsible” travel. If the farmers in Siem Reap decide to organise into formal groups, they could build on these initiatives and follow the lead of Nicaraguan agricultural cooperative unions, which have supported community-based tourism projects (Zapata, Hall, Lindo, & Vanderschaeghe, 2011).

## **6.6. Concluding remarks**

Studying backward linkages from tourism to agriculture in the Siem Reap region in Cambodia, this chapter confirmed findings made by researchers in several other tourism destinations in developing countries, namely, there are considerable constraints inhibiting the development of such linkages. The increasing recognition that tourism at such destinations does not by itself stimulate local agriculture in a pro-poor way has led to calls for more attention by governments and tourist operators to create and/or strengthen linkages between the two sectors (Hunt & Rogerson, 2013). An important conclusion of this study is that collaboration between these sectors must be a core element of incorporating local produce into the tourism value chain, making farmers more aware of what the market requires and buyers of local produce available and the constraints faced by local farmers. Such awareness is the first step in the process of establishing such linkages.

While the importance of agriculture–tourism linkages has been recognised by the RGC (KoC, 2009), this has not been translated into action in Siem Reap as perceived by local farmers, retired civil servants and officials. Awareness of what produce is available and required is not sufficient and farmers struggle to produce to the standard required by the tourism sector. To bring farms in the area to the level where they are able to meet the quality and quantity required would require considerable investments in skills, as well as physical and financial assets. Several major tourism operators in other countries have

stepped in to support farmers in acquiring such assets (Ashley & Haysom, 2012). While important for those who have benefitted from the activities of the few small enterprises in Siem Reap that have embraced responsible tourism, the scale of their operations has been insufficient to have other than a marginal impact on the agriculture–tourism linkages.

The government can facilitate such linkages by connecting the two sectors, for example, by providing incentives for both parties to invest in productive relationships. This would be easier if farmers were to form a representative body, as suggested by Rogerson (2012a). Working with other stakeholders, such a body could improve relationships with both the tourism sector and government authorities to bridge the supply/demand gap, through upskilling and improving the infrastructure for their communities.

A mix of community self-help culture, government assistance with infrastructure development, capacity building, extension services and tourism corporate social responsibility could help generate entrepreneurial innovations in small-holder agriculture to provide a win-win situation for all three parties. This is likely to require sustained effort over the long term.

In addition to contributing to the general literature on agriculture–tourism linkages by adding another developing country and a major heritage site to the limited empirical studies in this field, this study adds the perspective of farmers to this subject. The current literature is biased towards the views expressed by tourism operators and destination managers. As this research has demonstrated, future studies need to focus more on the farmers' views if tourism is to deliver more in improving the livelihoods of local, poor, agricultural communities.

## CHAPTER 7: LOCAL COMMUNITY PARTICIPATION IN TRANSPORTATION VALUE CHAIN

*Ferrying tourists to visit temples is a relaxing business. If we have clients, we have money. But sometimes we are exploited by tour agents and hotel operators who offer low prices or need commission from us when they allow us to ferry their clients.*

A tuk tuk driver

### 7.1. Introduction

This chapter discusses the transport value chain in the Siem Reap. Transportation and tourism linkage opportunities are explored plus constraints in providing income sources for local communities and migrants from other provinces in Cambodia. The history of conflicting interests in the transportation sector between local communities, private companies and authorities is also explored.

Transport service providers, including tuk tuk, motodup and car drivers and boat operators, are key informants for this chapter. I conducted in-depth interviews with drivers in front of temple gates where they waited for their customers and with tour boat operators at the port of Chong Kneas. Initially, these informants were reluctant to talk because they thought I was a representative from a private company or a government employee (e.g. APSARA). However, after introducing myself, presenting my ID card, consent and information forms, they were eager to talk about their livelihoods and concerns.

I also conducted interviews with government officials, retired civil servants, village chiefs, hotel managers, policeman and various tourism stakeholders to understand how transport service providers run their businesses in the Angkor Archaeological Park, the Siem Reap town and on the Tonle Sap Lake. The interviews were supplemented with observations during frequent visits to those sites. Various media were used to trace the history of conflicts in the transportation value chain. Thus the core research questions raised here are: *What are the opportunities for local communities to participate in the transportation value chain? What barriers prevent them from gaining economic benefits from the tourism sector?*

## **7.2. Transportation trends/situation in the Siem Reap-Angkor region**

Transportation is a popular means of earning a living for both local people and migrants from other provinces. Six different types of transportation service for tourists operate in Siem Reap: motodups (motorcycle taxis), tuk tuks, cars and vans, buses, boats and electric cars operated by APSARA inside the Angkor Archeological Park. Motodups, tuk tuks, cars and vans are mostly operated by individuals. Motodups, which transport only one passenger, operate mainly in the Siem Reap town and in some rural villages in Angkor Park. Although they enable fast transport in heavy traffic, motodups have become less popular among locals and tourists since the introduction of tuk tuks. Locals use them for personal transport and for earning income. Operators earn between USD 7-8 (gross) per day, and most of their clients are locals with some domestic tourists. They can earn USD 2 for transporting a tourist from the airport to a hotel and USD 8-10 for a daytrip to the Angkor complex. This type of transport is the main income source for the poor and most operators come from poor backgrounds. Tourists may consider riding at the back of a motorbike dangerous and would not be covered by most insurance policies in case of an accident.

Tuk tuks can carry four passengers and are popular among tourists because they are safer and more comfortable than motodups. Discussions with locals indicated that the number of tuk tuks has increased significantly with the increase in tourism. Mainly operated by locals and immigrants from other provinces, poor families cannot afford them. A new tuk tuk costs about USD 1,700 and/or USD 1,000-1,300 secondhand. A tuk tuk driver can earn USD 1 for a short trip within central Siem Reap, USD 3-4 from Siem Reap Airport to a hotel/guesthouse and USD 10-15 for a daytrip to the Angkor complex. However, if a trip is managed by a tour operator, a driver receives only USD 8-10 and it takes a few weeks to get paid. A driver also earns about USD 3-5 per month from advertisements displayed on the back of a vehicle.

Car taxis and vans are also popular among foreign visitors. Drivers of these vehicles earn USD 5-10 for ferrying tourists from the airport to hotels and USD 20-35 for a daytrip to the Angkor complex. A taxi driver hired by a tour operator earns only USD 18-20 for a daytrip to the Angkor complex. A former taxi driver who ran this business for more than 10 years told me that some operators have given up this type of business

because what they earned could not cover the price of petrol, vehicle maintenance, and depreciation.

There are many local and foreign bus companies operating from Phnom Penh, Battambang and Vietnam to Siem Reap. A bus ticket from Phnom Penh to Siem Reap is USD 7-15, depending on the quality of vehicles and services provided. Passengers can buy tickets at bus stations, from bus companies or at hotels and guesthouses. The bus companies offer limited job opportunities for locals as ticket sellers, drivers and workers.

The bus stations are located four kilometres from the centre of Siem Reap. One main station is at the Borey Sieng Nam market and others are located on land owned by private bus companies. Although motodups and tuk tuk operators could benefit from these stations, some hotels and bus companies provide free van service, excluding small operators from this opportunity. In response to complaints from motodup and tuk tuk operators about difficulties in accessing private bus stations and having to pay commissions to station workers; bus company staff claim that these restrictive measures are designed to satisfy their passengers who are annoyed by some operators canvassing their services.

Ferries and boats operate between Phnom Penh and Siem Reap across the Tonle Sap Lake. A boat or ferry ticket from Phnom Penh or Battambang to Siem Reap is USD 10-20, depending on type of boat. The port at Chong Kneas, 15 kilometres from the city centre, also provides job opportunities for drivers. Different tour boat groups provide entertainment to tourists on Tonle Sap Lake, creating job opportunities for local communities.

### **7.3. Transportation and tourism linkage opportunities**

The rapid growth of tourism has provided job opportunities in the transport sector for both local residents and immigrants from other provinces in Cambodia. These migrants tend to be from poor backgrounds. According to a Siem Reap provincial police commissary, the number of registered tourist transport vehicles licensed to tourist transport operators increased from 989 in 2003 to 9,442 in 2012 (see Table 7.1).

As detailed in the below table the number of tuk tuks has increased sharply over the last 10 years compared to other vehicles. However, a police respondent told me that a large number of vehicles operating in the tourism sector are not registered for this purpose (50% of motorcycles and 15% of cars, vans and other vehicles, he estimated). About 23% of registered tourist transport operators were immigrants from other provinces.

**Table 7.1: Number of tourist transport operator licenses in Siem Reap, 2003–2012**

Year	Vehicles				Drivers		
	Cars, vans	Tuk tuks	Motorcycles	Motorboats	Locals	Immigrants	Total
2003	388	243	258	0	888	101	989
2004	1451	603	600	94	2296	452	2748
2005	1900	843	1204	315	3423	830	4262
2006	2589	1135	1358	466	4410	1138	5548
2007	2941	1285	1458	466	4868	1282	6150
2008	3212	1541	1627	468	5357	1491	6848
2009	3369	1998	1926	468	6115	1743	7858
2010	3416	2322	2176	468	6508	1874	8382
2011	3517	2760	2318	468	7018	2045	9063
2012	3576	3018	2380	468	7303	2139	9442

Source: Siem Reap provincial police commissary (2013)

A tour company staff told me that tuk tuks have become the most popular tourist transport vehicles in recent years. This was confirmed by a few tourists when asked about their preferred mode of transportation. A tuk tuk driver said that tourists told him they like riding in tuk tuks because they are not available in their countries and they enjoy the experience. They indicated they will recommend tuk tuks to their friends, because they can view the scenery and the livelihoods of local people are better than from cars and the price is cheaper. This trend has motivated locals and migrants to enter this business.

Another tuk tuk driver told me that a few of his friends whose families remain in their villages come to Siem Reap to earn extra income. They return to their villages to plant and harvest their rice paddies every year. As a result, they miss the peak tourist season from October to December. These people have their own motorcycles and rent carriages from local tuk tuk manufacturers. Three of them stay together in a rented room. A respondent from Kompong Thom province informed me that after expenses on food, accommodation and other necessities, he can save about USD 30/month, which he sends to his family. Another tuk tuk driver expressed his wish to bring his family to Siem

Reap, but could not find employment for his wife and accommodation in Siem Reap is expensive. He said that

*it is very difficult to live separately from my wife and children. I sometimes feel homesick and lonely. However we chose this option because we have no choice. If I stay with my family in my home village, I have no money because I have no job. Therefore, I decided to come here to earn money. Living here is difficult, but I can earn some money. Tourists give me this job opportunity. They give dollars to me. Without them, I can't touch American dollars.*

Two respondents had used their remittances to buy agricultural inputs and timbers for house maintenance. In these cases transportation revenue has contributed to improving the livelihood and living conditions of poor households in rural areas.

**Box 7.1: Story of tuk tuk driver**

Mr. A is a former farmer from the Prey Veng province, one of the poorest provinces in Cambodia. He sold his farmland to his neighbour and migrated to Siem Reap in 2005, after having been told that tuk tuk drivers can earn a lot of money from tourists. He used the money from selling his land to buy a tuk tuk for USD 1,700. He rents a room for USD 60/month to stay with his family. His wife works as a cleaner in a guesthouse and earns USD 50/month. He can earn about USD 150/month in the peak season and about USD 100/month the rest of the year. He said that

*life is not easy in Siem Reap because I don't have house and land. However, life here is better than in my home village. To be a tuk tuk driver is easier than a farmer. I take tourists between temples, waiting for them at the entrances where I rest, and bring them back to their hotels. When I was a farmer, I worked on the rice field under the sun and in the rain. Although tuk tuk drivers can't become rich and I can't save money in the low season, this job is better than planting rice. Planting rice has more risks related to drought, flood, diseases and insects. Moreover, I also need money to buy fertiliser and pesticide. If there is a flood or drought, I will lose everything. So I think that earning money with tourist transportation is safer than agriculture. My tuk tuk is my bank. If I have a tourist, I have money. If I am lucky, I get more tips from generous tourists.*

Mr. A's story shows that being a driver in a tourism destination can be better than agricultural work for those who can buy vehicles. Although incomes in the transport sector are lower than other service sectors in the tourism value chain, such as guiding, the work of tuk tuk drivers can be better than farm work, particularly for those with small plots of land. Mr. A's annual gross income from farming was about USD 300, if he sold all agricultural output. Income from ferrying tourists can help transport operators escape poverty, if no bad events interrupt their livelihoods. Drivers from Siem

Reap, particularly those owning land, are more secure and much better off than migrant drivers who have to pay rent and lack farmland on which to grow rice and other crops.

A respondent living in Chreav commune told me that

*if there is no customer, I help my wife grow vegetables in my backyard and plant rice in my rice paddy. The rice yield I get can feed my family for a whole year. I raise chicken, ducks and pigs for my family's diet only, not for sale. Ferrying tourist is my extra job. Money I earn from this is for my children's education and to buy some necessities. I can save some during the peak season.*

Talking with operators at the entrance of some temples in Angkor Park and based on my observations, tuk tuk drivers seem satisfied with their work when they have customers although some of them, especially migrants and those whose livelihoods depend heavily on ferrying tourists, are worried about low incomes during the off-peak season and the unstable and uncertain tourism industry. A tuk tuk driver who migrated from Kompong Thom province told me that he has to save income from the peak season to cover his expenses during the low season. He complained that

*I have to pay rent and my children have to pay teachers for extra teaching...Food in Siem Reap is very expensive, compared to other places. What I earn can only support my daily needs and I have not been able to save money since I started ferrying tourists in 2009. I don't want my children to do this job. If they get higher education and can speak foreign languages, I want them to become tourist guides or work for a tour company.*

Standing near a road where electric cars ferry tourists, a village chief in Norkor Thum commune, located in the Angkor Archaeological Park, told me that he has a dream that the government or APSARA can help his community to become involved in the electric car and rowing boat sub-sectors, as this could help his community earn extra income, thereby contributing to alleviating poverty in the village. He said that

*we [villagers] live in this park, but we have no chance to run these two businesses. We only watch outsiders earn money from them. A private company which got a license from the government to ferry tourists by rowing boats in Tonle Oum River [canal in the front gate of Angkor Thom temple] and electric cars operated by APSARA are the kind of work our community can do. If the government wants to help us to be involved in tourism, they [government officials] should provide us with this opportunity. I hope our community can manage and run transport businesses in this park if we get financial and technical support from APSARA.*

Another village chief had a dream that the government would prohibit cars from entering Angkor Archeological Park and instead allow his community to rent bicycles to tourists. This would help villagers living in this protected zone gain economic benefit

from tourism. UNESCO (2013, n.p.) has declared that “the Cambodian authorities and UNESCO consider that the development of the site must involve this population [people living in Angkor Archeological Park], which should reap its fair share of revenues generated from tourism. At present, residents make their living from firewood collecting, rice cultivation or employment work within the APSARA Authority”. The policy of APSARA to employ local residents as temple and environment guards (presented in chapter 9) should be extended to include the transportation value chain. Interviews with boat workers and electric car drivers revealed that they are not residents in the Angkor Archeological Park area, protected by APSARA.

#### *Transfers between Siem Reap International Airport and hotels in Siem Reap*

Siem Reap International Airport, which caters for more than 3 million passengers annually, provides income opportunities for transport providers. However, the Tourism Transportation Association of Siem Reap members have exclusive licenses to operate transport services from the airport to the city. Membership of this association consists of 94 motodup drivers and 231 car and van drivers, but it excludes tuk tuk drivers, as there were no tuk tuks in Siem Reap when the association was created. Although there are more people who want to become members, this association does not want to expand its membership. A member of this association, who told me that this decision relates to income, said that “*we will kill ourselves if we increase our members. The more members we have, the less income we earn*”. Although each association does its best to increase the profit of its members, it can be argued that it is unfair for those who are prevented from joining the association.

In addition to association membership fee (USD 9/month/car taxi driver and USD 3.75/month/ motodup driver), members have to contribute to the fee that Cambodia Airports charge the association (USD 3,500/month during the peak season and USD 3,148/month during the low season). This information was provided by the secretary of this association. Information about how these funds are used, reasons for the fees and for preventing some operator from picking up travellers at the airport could not be obtained.

However, although tuk tuk drivers cannot access the airport to pick up travellers, they can ferry their clients from Siem Reap town to the airport or wait for passengers outside airport boundaries. An association member, responsible for selling transport tickets at

airports, told me that foreign tourists prefer to ride tuk tuks and they frequently ask him why there is no tuk tuk at the airport. A tuk tuk driver waiting for customers outside the airport told me that all transport providers should be offered access to the airport. He said *“it is unfair for me and those who are not members of this association. We should have the same opportunity to earn a living”*.

#### *Sightseeing at Tonle Sap Lake via tour boats*

Tonle Sap Lake, the largest freshwater lake in Cambodia, is considered one of the natural wonders of Cambodia. Fishing villages, floating villages, rich biodiversity and a unique ecology make this lake one of the most popular tourist destinations in Cambodia – for both domestic and foreign tourists.

There are employment and business opportunities for both local people and investors in this area. Some locals in both communes whose main livelihood is fishing have converted their fishing boats to tour boats. Many local residents have diversified their livelihood by participating in the transport value chain, and those with sufficient capital have even invested in motorboats for ferrying tourists. A man who has entered this sub-sector said that at the outset, the income he earned from ferrying tourists was triple his income from fishing. However, his income decreased as more people entered this business. He told me there was competition between motorboat operators. Those who cooperate with tour operators can earn higher incomes. This encouraged boat owners to set up networks with tour agents and guides to whom they pay commissions.

Tonle Sap Lake has also become an economic battleground between local people whose livelihoods depend on its natural resources and those who take advantage of the tourism boom to make money. Both domestic and foreign companies which see the great potential of Tonle Sap Lake have started investing in this area. Some have received concessions, and permission to develop infrastructure. And one company received a license to collect entrance fees from tourists visiting Tonle Sap Lake, using their authority to dominate the livelihoods of local communities and other stakeholders who have initiated tour boat businesses. Conflict between these stakeholders, private companies and the local community erupted (more detail about this conflict will follow).

To understand how the tourism boom has influenced local people's livelihoods, I talked with a number of boat owners, tourist guides and other key informants. A few boat owners told me about their perception of this beautiful lake, their livelihoods, the history of tour boat associations, conflicts between different boat associations and the domination of a private company over their business. One respondent told me, movingly, that Angkor Wat and other temples are man-made, whereas Tonle Sap Lake is God-made. He emphasised that local communities have relied on the natural resources of this lake for their survival for centuries, and that villagers have lived in harmony with nature by collecting natural resources such as fish, water birds, and vegetation from the lake. He said that

*the growth of tourism in this area has changed our way of life because it offers us new job opportunities for additional income which enables us to increase our living standards. Some of us have upgraded our fishing boats to tour boats. Tourism helps villagers to reduce their dependence on fishing because fish resources are scarce now. We believe that our livelihoods will be improved if nothing bad happens to our community and our valuable lake.*

A boat operator who has ferried tourists since 2008 told me that all boat owners are required to be members of a tour boat association, registered with the Sou Ching company, that has the concession to upgrade and operate the Chong Khneas Port where tourist boats dock. This company also holds a license to collect entrance fees and manage tour boats in both Kompong Pluk and Chong Kneas communes. The boat operator revealed that tour boat owners have to pay an additional fee to the Sou Ching company, which holds a government concession for permission to ferry tourists. Nearly 500 motorboats, small and medium, ferry tourists in Chong Kneas and Kompong Pluk respectively. Tour boats are arranged in a queue. The company sells tickets and manages the boat queue, taking 50% of ticket sales. Boat operators are paid based on the number of tourists. A tour guide told me that tourists visiting Tonle Sap Lake have to buy two tickets (*entrance ticket and tour boat ticket*) from the Sou Ching company.

A boat owner living in Chong Kneas told me that he bought a motorboat for USD 5,000, but complained that his business makes only a small profit and he considered giving it up. Referring to the Sou Ching company making more profit than boat operators, he said that

*It is unfair for us. This company not only collects money from tourists, but also takes money from us. It takes half of boat ticket sales. Unlike tour boat owners who have to spend time bringing tourists to the lake, spend money to buy petrol, and maintain boats, this company does nothing. The task of its company staff is just to sit and collect money.*

Some respondents accused the Sou Ching company of defrauding boat owners, suggesting that provincial authorities should stop the company's investment in their region. One boat owner said that this company does not bring economic benefits to his community. Conversely, its investment had a negative impact on villagers' household economy. Another boat owner said that "*we have been oppressed and our livelihoods and incomes from ferrying tourists have been exploited by this company*".

#### **7.4. Conflicting interests in the transportation value chain**

Is tourism a catalyst to cause conflicts between local communities, private companies and stakeholders? Do these conflicts impact on the livelihood and income of local communities? This section presents the history of two conflicts and each party's perceptions of them. Articles from two trustworthy newspapers – *the Cambodia Daily* and *the Phnom Penh Post* – and Radio Free Asia, owned and sponsored by the US government, were used to inform this section.

##### *Conflicting interests between tour boat owners and the Sou Ching company*

The conflicts between boat operators and tour agents with the Sou Ching company disrupted their businesses and created antagonism. A few respondents, including boat owners, tour operators and tour guides, had negative views of the Sou Ching company. Some of them perceived that it earns excessive profits from the tourism boom and tries its best to defraud boat operators by taking half of their daily income. While proponents of the company think it helps to manage tour boat operators earn equal income and develop Chong Kneas port, opponents consider this company to be a barrier, preventing tour boat communities gaining more profit from tourism. A respondent said angrily that "*Sou Ching company reduced our daily income and I consider this company as a leech sucking economic blood [out] of tour boat communities*". The following boxes summarises the history of conflict.

### **Box 7.2: Battle for transportation business at Chong Kneas**

The conflict with the Sou Ching company began in March 2009. More than 300 protesters, a mix of boat owners and local travel agents, demanded the right to run their own businesses after it required boat owners to pay the company USD 1 per ticket. This company, with support from police and military police, ordered security guards to prevent tourist boat owners and tour agents from selling tickets. While the main goal of the company was to have “one port, one boat association and one price”, a rival group accused the company of “dividing the community”.

The Tourism Boat Association (TBA) was divided after the Sou Ching company started implementing its policy, with one group contending that the company was bringing a very much needed level of organisation to improve the tourist boat business, and those who believed the company was imposing bad policies, draconian regulations without consulting stakeholders and local communities that depended heavily on boat tourism. It was alleged that the Sou Ching company defrauded the TBA and other tour agents that helped to organise boat touring, to turn this area into a popular tourist destination.

A boat owner member of the boat association cooperating with Sou Ching company claimed that although the daily income for many people has dropped, the regimented new system, regulated by the company has ensured equal incomes for all boat owners. He added that before the company’s intervention, some boat operators could earn more by doing constant trips whereas other boat owners earned less. But with the orderly queues, boat owners get the same number of trips. The fixed pricing system also prevents boat owners from fleecing tourists. A manager of Intrepid Travel agreed that some tourists who were not aware of tour boat prices were exploited under the old system. However, although she thought this fixed-price system can stop tourists being ripped off; she claimed the way in which the Sou Ching company operates has damaged the large existing network of boat operator associations and tour agents who provided reliable and well-priced boat tours. A TBA representative claimed that TBA could not sell tickets any longer, and that both military and normal police officers have prevented operators from running their businesses. He added that this dispute affected both boat owners and employees of transport and travel agents. While a member of TBA claimed that some tour boat owners refused to cooperate with Sou Chin or a rival tour boat association controlled by it lost business. A source working for Sou Ching said that rather than lose their livelihood, these are dishonest people losing their corrupt businesses. However, the current president of Cambodia Association of Travel Agents (CATA) said that boat owners and travel agents do not want the Sou Ching company to be a middle man, adding that this company is unfair to the local community.

A bitter rivalry between these two tour boat associations, one supported by CATA and the other by the Sou Ching company over access to passengers visiting the Tonle Sap Lake, had negatively affected businesses on both sides. The tourism controller of the Sou Ching company said that CATA should not organise boat tours and that CATA has become involved in order to protect the interests of rich and powerful people. The CATA president questioned why Sou Ching was trying to control all the tour boats in the area when it should just upgrade a port.

TBA joined forces with CATA and local travel agents in calling on Sou Ching's representative to negotiate with them to address this issue. They refused to talk with the rival boat association, which was split from TBA, and colluded with the Sou Ching company. However, management of this company rejected this allegation, suggesting it was an internal dispute between these rival boat associations and that it was entitled to collect one dollar per tourist to fund the upgrade of the port.

Source: *The Phnom Penh Post*, March, April and August 2009

From discussions with respondents, representing different stakeholders, it appears the general perception is that Sou Ching and the breakaway tour boat association that cooperated with it were the winners of this conflict, because they got support from the government, whereas some tour agents and those who initiated tour boats lost out. A respondent told me that some tour boat operators had changed their business from Chong Kneas to other potential tourism communes. However, the company has expanded its operation from Chong Kneas to Kompong Phluk. In contrast to the Angkor complex where Cambodian visitors are exempt, this is not the case on the Tonle Sap Lake. A respondent predicted that this company would expand its control to other places surrounding the lake, such as Kampong Khleang and Mechrey, which local communities and some tour agents have promoted. A respondent who is unhappy with this company compared it to a conqueror, legal robber and a vulture, asking where this company was before these destinations were developed as attractive tourism places. Another respondent suggested that tourism revenue collected by private companies should be publicly disclosed to avoid corruption, which according to some respondents is rife in Siem Reap.

As suggested by one respondent, government should review this contract in order to increase tourism income as well as to help tour boat communities to increase their income and improve their livelihoods. If more disputes in the tourism industry frequently occur, without proper solutions and local communities are defrauded or exploited, the government's goal to use tourism as a tool for poverty reduction will not be achievable.

**Box 7.3: Boat operators protest against the Suo Ching company in Kompong Phluk**

In September 2014, tour boat operators including villagers, protested in Kompong Phluk against the Suo Ching company, requesting the company reduce the price they pay to the company and fee exemption for Cambodian tourists visiting Tonle Sap Lake during the Cambodian Pchum Ben holiday. The company refused this, demanding an end to the protests and punished 44 tour boat operators, preventing them from ferrying tourists because they had ferried Cambodian visitors to the lake without respecting the company's rule. In response to this, boat operators blocked the main road leading to the lake. A female protester complained that this company had weakened her community's economy, and that tourist guides and tour agents had told her they dislike this company and they do not want to bring tourists to Tonle Sap Lake. A tour guide warned her that if boat owners allowed this company to sell boat tickets and manage tour boats, he would not bring tourists. Another protester said that this company has exploited boat operators, who sometimes take more than 50 percent of ticket sales.

According to the Kompong Phluk commune chief, protesters demanded that the government stop company's operation and cancel its contract. A councillor from Siem Reap province said that this company does nothing to support the local community. He has found that the company brings no substantive economic benefits to people living in the area, claiming that he has often asked officials to disclose the contract between government and this company, but to no avail. This councillor said that "this company makes the cake without using flour". In other words, it collects money without using its financial capital or investment. The protest ended after the parties agreed on a new price in a meeting with relevant authorities. Boat owners agreed to end their protest after the company agreed to drop the price it charges. Prior to this protest, the full price for a ticket on a boat was over USD 20, and boat owners wanted to pay only USD 1 per tourist to the company. Compromising, the parties agreed to reduce the amount boat owners pay to the company per tourist from USD 3 to USD 2.

Sources: *The Cambodia Daily*, September 2014 and Radio Free Asia, September 2014

### *Conflicts between transport providers and APSARA*

The introduction of electric cars in 1999 by APSARA in the Angkor heritage site has been controversial. Transport service providers want APSARA to stop the electric car company from operating in this area, as the electric cars threaten their livelihoods, but APSARA and government officials consider that these cars protect the environment in the park. An APSARA official asserted that this measure protects the temples from decay, caused by acid rain created by exhaust fumes from vehicles ferrying tourists. He said that

*if we don't want our temples destroyed by air pollution produced by tourist transport activity, using electric cars is the best solution. These vehicles help to protect the natural environment in this heritage site because they do not produce exhaust fumes.*

However, a 35-year-old taxi driver told me that it is unfair to say that the tourist transport business has negatively impacted the Angkor Archaeological Park. He said angrily that

*we were told that gas from cars, tuk tuks and motodups has contaminated the air in this heritage site and this leads to damage of our valuable temples. This is a main reason that electric cars were introduced in this city and we are discouraged to enter this precinct. They [government officials and APSARA officials] always blame us for polluting the environment, but they don't look in the mirror to see themselves. Most of us [tourist transport drivers] have only one vehicle to earn a living, but most of them [government officials and APSARA officials] have many cars and motorbikes in their families. If our vehicles pollute the environment and destroy the temples, what about their vehicles?*

Do electric car companies in the Siem Reap Angkor region create a political, social or economic conflict between APSARA and tourist transport providers? Based on my interviews with retired civil servants and transport service providers on local residents' perceptions of this issue, the answer is economic conflict. While this is an economic issue for the drivers, the government dismisses their claims by referring to it as a political one. According to some respondents, electric cars may not be the best solution to address air pollution in this heritage site. Their environmental benefits should be balanced against social issues to avoid conflict between citizens and the government. In order for tourism to contribute to poverty reduction, decision makers should consider the views of local people when formulating policies.

#### **Box 7.4: History of the electric car conflict in the Angkor heritage site**

The conflict between tourist transport providers and APSARA related to electric cars started in 1999 when electric cars were introduced in the Angkor complex park. Thousands of taxi, motodup and tuk tuk drivers, whose livelihoods depended on ferrying tourists for their living, protested each time the issue of electric vehicles came up in the last few years preceding their deployment. The drivers were angered over the use of electric cars in this site, and feared they would be banned from the temple precinct. Drivers protested against the electric car project, claiming it would cause them to lose their livelihoods. A Chinese-owned private company that operated electric vehicles had sole rights to provide transport services to tourists in the park. This company had put electric cars in service inside the park, and the local drivers said that the price of USD 6 per person, agreed with APSARA, was so low that it threatened their livelihoods, as local transport service providers could not compete.

After APSARA confirmed that drivers were not permitted to take customers directly into the temple sites, but have to remain in a parking lot near the entrance, a protest organised by angry drivers blocked the entrance to the park. They protested against this restriction and parking fees had been applied to them. A protester claimed that transport service providers had lost income, since they were banned from entering the park. The director of SRPDT acknowledged that drivers are losing business but said there is now less clutter at the temple sites. He added that “to keep order at Angkor Archaeological Park, the new way is better”. A Siem Reap Deputy Governor said that “they [drivers] disagree with paying for parking and want to take tourists right to the stairs of temples,” He added that “the new policy has been implemented because electric cars are better for the park’s environment”.

In January 2008 the 7 Makara [January] Electric Car Project was created. The APSARA director claimed that this company belongs to the state and is operated by APSARA inside this heritage site. In January 2014, transport providers led a motorised rally of about ten hundred people through Siem Reap town to call for a ban these electric cars in park after the electric car was shown at APSARA headquarters by a French company. Transport providers were worried that their livelihoods would be affected by the electric car company. The rally organisers delivered a petition to the provincial office, requesting APSARA to divest itself of the electric cars, so the existing drivers could earn sufficient income to support their families. While a rally organiser revealed that the petition to ban electric cars was in response to special permission granted to the 7 Makara Company to expand its business operation, the APSARA director claimed he would not consider the petition, and dismissed their demands, accusing these drivers of playing politics.

Sources: *The Cambodia Daily* (2006, 2014) and *The Phnom Penh Post* (2009)

Some of the respondents perceived that electric cars are just a pretext used by officials to gain economic benefits, not environmental ones. For instance, a 40-year-old taxi driver told me there are many cars in Siem Reap city causing traffic congestion and the authorities should focus on finding a solution to this problem. Instead, they concentrated only on tourist transport vehicles and tried to replace the taxi vehicles with electric cars. He told me that a small number of electric cars managed by APSARA cannot address air pollution:

*It is useless if electric cars are operated only inside the Angkor Archaeological Park. Angkor Wat is only 7 km from downtown. So, smoke released by local residents' vehicles can flow from the city or neighbouring regions to the park. If APSARA considers that vehicles ferrying tourists is a main cause of air pollution, it should consider other vehicles used by its staff and other residents too. If they [APSARA staff and government officials] want to ban vehicles entering the temple complex, they should ban all vehicles in the city. Everyone who has contributed to air pollution is responsible for temple damage, not only those who earn a living by ferrying tourists.*

Another respondent whose livelihood depends heavily on ferrying tourists complained that

*they [APSARA staff] want to kick us [tuk tuk, motodup and taxi drivers] out of this park and try to compete with us in the city too. We can't win because we are poor and powerless. They [APSARA staff and government officials] always claim that tourism benefits have to be distributed fairly to Cambodian people, especially the poor. However, what they say and what they do is different. They look everywhere to find ways in which they can earn money. They want to collect all money from tourism and don't want to drop a dollar to local people.*

A tuk tuk driver told me that although he cannot become rich from what he earns, he is satisfied with his business because he is unable to find another job. He requested the government to retain this transport business for uneducated people, like him, to earn a living, saying

*everyone knows that income from selling entrance tickets to visit Angkor Wat is falling into the pockets of the Sok Kung company and most of the tourism revenue goes to hotel owners, tour companies, airline and bus companies; but we [tuk tuk, motodup and taxi drivers] don't care about this. We want only a small amount to support our families. They should keep this [transport business] for us. Why do they want to break our rice pots?*

Supporting tuk tuk drivers, a retired civil servant alleged that

*it is a pretext of corrupt people. They [APSARA staff and government officials] want to get benefits from private companies [electric car companies] and don't care about disadvantaged people who depend heavily on transport business for survival. The 7 Makara electric car company, managed and operated by APSARA, is concrete evidence showing that this authority wants to collect nearly everything from tourism. APSARA has power and jurisdiction over this region which enables it to make wind, rain and storm whenever it wants.*

What tourist transport providers have raised above is reasonable. How can a small number of electric cars address air pollution when many vehicles are used in this area? It would be an excellent measure if most local residents start using electric cars or solar powered vehicles in Siem Reap town. The government could provide incentives (e.g. special tax concessions on electric cars).

Furthermore, APSARA gets a proportion of entrance fees, government funds and financial aid from international donors to conserve, protect and manage the Angkor Archaeological Park. Why does APSARA need to earn income from electric cars? Income from this operation is not high, compared to funds given by donor countries to fulfil APSARA's mission. The way in which APSARA has implemented electric cars is problematic and has provoked an outcry from transport service providers whose livelihoods are affected. Critics and tourist transport providers have alleged that APSARA is doing this for economic rather than environmental reasons.

According to the Angkor Management Plan 2007, even though APSARA's mission is "to protect, maintain, preserve and enhance the archaeological, environmental and historic assets of Angkor Archaeological Park", this authority also has obligations to maintain and ensure that "ethical tourism and sustainable development programs which contribute to poverty alleviation and to the improvement of the livelihoods and quality of life of the Park's inhabitants and the citizens" of the Siem Reap-Angkor region (APSARA, 2007, p. 165). So it should balance these objectives when considering a transport system.

Tourism stakeholders representing different interests agree that the growth in tourism requires a sound environmental program, including transport. By avoiding petrol, possible destruction of stone temples caused by acid rain can be prevented. I would argue that one solution could be to change to solar powered vehicles. For example, Star8, an Australian-based company, produces four different models of solar powered tuk tuks, costing between USD2,000 and 3,000 and solar powered buses costing about 23,000. The price range is reasonable for local transport providers in the area under study.

Fifty solar powered buses had already been delivered to Siem Reap in early 2015 for a joint venture between Star8 and the Sou Ching company for operation along five routes, transporting tourists from Chong Kneas, the Sou Ching port to the Angkor complex,

Pub Street at the Old Market and other popular tourist places. However, this venture has caused concern among others involved in the tourism sector, despite a claim by a Star8 representative the two companies had tried to engage local transport operators.

The former president of CATA warned of the strong market position of the Sou Ching company because of its exclusive contracts to operate the port and sell boat tickets to tourists. Many poorer micro-business operators who depend heavily on ferrying would be impacted by companies using their market power. Therefore, tourist transport planning should take into account the impact on those earning their livelihoods in this sector. This requires consultation or negotiation with local transport service providers and transportation companies. Talking with a tuk tuk driver about the solar powered tuk tuk and its price, this respondent claimed that he is willing to buy this environmental friendly vehicle, but suggested that the Star8 company should not operate this business in a joint venture with the Sou Ching company, as it could negatively affect poor transport operators who run this business as their only income source. He asked “*why do they want to catch all the fish in the lake? They should catch only big fish and keep the small ones for local people*”.

#### **7.5. Transportation and tourism linkage constraints**

Although the transportation business is suitable for local people and immigrants, especially those from poor backgrounds, there are some constraints preventing them from accessing this opportunity. According to respondents’ perceptions, the main constraints identified in the transport value chain unit are grouped into two categories: socioeconomic constraints and institutional constraints. Socioeconomic constraints include lack of foreign language skills because of low educational levels, lack of communication and business skills and insufficient financial resources to buy vehicles. Institutional constraints include poor road conditions from rural villages to popular tourist sites, lack of support from the government for low interest loans for disadvantaged people, limited support from microfinance institutions which generally require security, and market control over vital infrastructure (airports and bus stations). Lack of government regulation to enable drivers to access this infrastructure, and lack of local government coordination between transport providers, tour companies, airports

and hotels to share these benefits in a fair and equitable manner exacerbate these constraints.

A villager in Nokor Thum commune told me that he wants to ferry tourists in the Angkor archeological Park, but he does not have enough money to buy a tuk tuk and microfinance staff refuse to give him a loan because he does not have a land title. He said that

*the microfinance agent told me that I can borrow only USD 300 because I don't have land title. I can borrow money from informal money lenders, but the interest rate is very high. I am afraid what I earn can't pay the interest rate; that's why I am reluctant to borrow from them.*

Another respondent in the same commune told me that a microfinance agent refused to give him a loan because he is unemployed. He said “*they [microfinance agents] don't give loans to the poor because they think that we can't pay them back. I need money to buy a tuk tuk, but I can't afford*”. Another village chief in this commune expressed his hope: that if the government had a policy to support villagers, such as providing low interest loans and train them how to use the loans effectively, most villagers would earn extra income, helping them escape poverty.

However, a former tuk tuk driver told me that poor foreign language capacity is the main constraint preventing villagers from accessing foreign visitors. He said that

*a few tuk tuk drivers in his village gave up the transport business because it is difficult for them to get foreign customers. Foreign language skills are necessary for drivers. If they can communicate with tourists, they can get good customers who are likely to be satisfied with their services and give them more tips.*

Although this commune is located in the Angkor Archeological Park, close to the most attractive temples, only 1.3% (64 persons) had transportation as their primary occupation and 0.15% (7 persons) as their secondary occupation in 2011 (SRPDP, 2012) and increased to 1.4% in 2014 (SRPDP, 2015). This indicates that most local people, especially the poor, cannot access this sector. Although most drivers are from poor backgrounds, not many residents living on the periphery of the Angkor complex can access this opportunity, indicating they are poorer than the immigrants who can afford to buy tuk tuks.

Another respondent told me that beside foreign language skills to communicate with tourists; transport service providers must have good relationships with guesthouse owners, hotel staff and tour operators. Some drivers have to work without pay, relying on receiving tips. This tuk tuk driver said

*I voluntarily help guesthouse owners to take their customers from the airport or from their guesthouses to night markets without pay, but I can get tips from generous tourists, especially American or European tourists. There are a lot of drivers now. If I don't do so, I can't get access to their customers. However, if I am unlucky and don't get a tip, I inform the guesthouse owner and he pay some money to me. Our business [is] based on mutual trust and benefits.*

This case is similar to what two general managers of luxury hotels and a hotel owner told me. According to a three-star hotel owner: “*I will contact drivers by phone if hotel guests need a tuk tuk or a car. However, a taxi driver has to pay USD 2.5 and tuk tuk drivers USD 1.5 to me if they get a customer from my hotel to visit Angkor park for a whole day*”. Similarly, a four-star hotel manager told me that only a certain group of transport service providers are permitted to get customers from his hotel and they have to give some money to his hotel. Although he did not mention how much he receives from those drivers, he claimed that “*money received from this group [informal transport association] is not given to the hotel owner, or put in my pocket, ...but it is put in this hotel's social saving fund and used to support hotel staff for emergency relief*”. Another hotel manager informed me that besides giving contributions to his hotel, drivers have to wear the hotel uniform and put the hotel logo on their vehicles. As a tuk tuk driver respondent said “*hotels have the ability to catch big fish and they should keep the small ones for us*”. He meant that hotels receive the bulk of tourism spending in the form of payments for accommodation, food and beverages, so they should let the drivers retain all of their earnings.

Another constraint reducing the income of transport services providers is the market power of tour operators. Because they bundle their services, they do not leave much room for local drivers. Although the number of tourists has increased in recent years, a tuk tuk driver told me that his income decreased because most Asian tourists use package tours. He complained

*It's harder for me to earn money compared to the last few years because there are less European tourists. There are a lot of Asian tourists such as Vietnamese, Chinese and Korean. They come here in groups with their tour companies and they go somewhere with*

*vans or buses arranged by tour agents. So, they don't use our services. Most of my clients are backpacker tourists. They are not rich, so they give me a little tip only.*

This was confirmed by a few tuk tuk drivers who told Radio France International reporter in 12 August 2015 that Asian tour companies often use their buses or vans to ferry tourists because they want to collect most of tourist spending. Another driver shared a similar view, telling me that transport service providers agree to accept a low price from tour companies because they have no choice and there is more competition. He added that

*the number of drivers [transport service providers] has increased in recent years. Some of them are from other provinces and others stopped working in the hotels and restaurants and started running this business too. So, there are more competitors now. If we don't have connections with a hotel, guesthouse owners and tour agents and accept their low price offer, we don't have clients.*

A case in point is the Tourism Transportation Association of Siem Reap, which has to pay Cambodia Airports for access to Siem Reap. This indicates that transport service providers' access to tourists is not smooth. A retired civil servant said

*they [hotels, tour companies, private companies] have collected most of the tourism revenue and they don't want to drop a cent to the poor. If the government really wants a reasonable share of revenue generated from tourism to be distributed fairly between rich and poor, it should take appropriate action. The provincial government can play an important role in coordinating meetings between tourism stakeholders, such as tour companies and those who are involved in tourism occupations so that everything is going smoothly.*

Another constraint, excluding some poor local people from this livelihood source, is that they live too far away from popular tourist places, particularly in the context of road conditions (unpaved with many potholes). Inadequate road conditions prevent residents in Krabei Riel from being involved in the transportation value chain. According to SRPDP (2012), only 0.11% (5 persons) had transportation as their primary occupation and 0.36% (16 persons) as their secondary occupation in Krabei Riel commune in 2011 and increased to 0.7% in 2014 (SRPDP, 2015) . In Chreav commune, which is close to Siem Reap city and the road condition is better, the number of transport providers is higher, with 1.33% (87 persons) having transportation as their primary occupation and 0.08% (5 persons) as their secondary occupation in 2011 (SRPDP, 2012), however, it decreased to 1.3% in 2014 (SRPDP, 2015).

While a motodup driver living in Krabei Riel commune complained about poor road conditions from his village to Siem Reap town, according to a former tuk tuk operator, who became a motodup driver, there are other reasons. He revealed that he sometimes had to drive the vehicle to the city, waiting unsuccessfully for customers for a whole day, wasting time as well as money for petrol. For this reason he had to change his job. He said that

*some people think that whenever our tuk tuk's wheels are moving, we [drivers] get money. Not like that. If we don't have customers, we lose our money on petrol which costs 5200 riel/liter [USD 1.30]. In low tourist seasons, I only get two or three customers per month. Imagine, how can I survive with this occupation? This is a reason I stop running a tuk tuk.*

## **7.6. Concluding remarks**

In conclusion, the growth of tourism in Siem Reap has provided more job and business opportunities in the transportation value chain to both local communities and migrants. However, there are constraints or barriers preventing many locals from participating in transportation services. Based on respondents' perceptions, some main constraints in the transport value chain need more attention from policy makers and the drivers themselves. These are: exploitation by those with market power; and competition from electric and solar powered cars provided in joint ventures between private companies and APSARA. These constraints have put more pressure on transport service providers, which has led to reduced income.

It appears that because of their dependence on others to earn a living, small operators in the tourism transport sector are exploited by those with market power. In cases where an operator has dominant market power, such as airports, bus stations, hotels and major tour companies, there is a role for the government to institute and apply trade practices regulation to ensure access to all drivers with reasonable terms and conditions. With such change, tourism revenue could be shared more equally. Drivers could become more powerful if they can establish or form a formal association with codes of conduct preventing them from being exploited.

Lack of support from government agencies is a main constraint preventing the poor from becoming involved in this sector. Ultimately, the number of drivers who can participate in the transportation value chain is limited by the size of the tourism market.

In order to achieve the government objective of using tourism as a poverty reduction tool, the transport value chain needs a complete overhaul, including a mix of trade practices regulation, policing of vehicles not registered to operate in the tourism sector, and mechanisms to address the way in which hotels and private companies exploit poor tour transport operators. Intervention from government and relevant authorities to support poor transport providers are needed so that tourism income can be distributed fairly.

## CHAPTER 8: LOCAL COMMUNITY PARTICIPATION IN ACCOMMODATION VALUE CHAIN

*Tourism growth in Siem Reap provides job opportunities for local people. However, low wages, exploitation by hotel management and hoteliers and poor labour law enforcement are the main obstacles preventing hotel workers from improving their living standards.*

A hotel worker in Siem Reap city

### 8.1. Introduction

This chapter deals with the accommodation value chain in the Siem Reap-Angkor region, exploring accommodation and tourism linkage opportunities and various constraints in terms of this sector's contribution to poverty reduction. The history of industrial conflicts in the hotel sector, leading to economic losses to both parties and damage to hotel reputation, will be covered. The importance I attribute to these conflicts is reflected in the space allocated to them in this chapter. The labour conflicts in the accommodation sector are important for understanding the difficulties faced by workers to escape poverty, considering the instrumental role played by trade unions in reducing poverty in the West. If tourism is to reduce poverty in developing countries, the member-controlled unions may require more influence and their greatest prospect probably lies in the accommodation sub-sector. Therefore it is necessary to understand why poverty reduction is not happening.

Hotel workers, hotel, guesthouse and homestay owners, village chiefs and villagers, bank and microfinance managers, retired civil servants and public officials were key informants for this chapter. I conducted in-depth interviews with hotel, guesthouse and homestay owners at their business establishments, with retired civil servants and hotel workers in their homes, and bank and microfinance managers and public officials at restaurants. Mass media was used to trace the history of conflicts in the accommodation sector and learn about perceptions of stakeholders I could not access.

Thus the core research questions raised here are: *What are the opportunities and constraints for local communities to participate in the accommodation sector? What are the main causes of conflict in hotels?*

## **8.2. Local residents' involvement in accommodation**

In response to the rapid growth of tourism in the Siem Reap-Angkor region, the number of hotels, guesthouses and apartments has increased significantly in Siem Reap town. According to the SRPDT, there were 138 hotels (10,407 rooms), 230 guesthouses (3,207 rooms) and 8 apartments (197 units) in 2012. Most three- to five-star hotels offer swimming pools, restaurants, spas and souvenir shops. While most hotels are owned by outsiders (Cambodian citizens and foreigners), most guesthouses are owned by local residents who have capital to invest. Most guesthouses are operated by owners who need only a few staff, mainly cleaners. Even though working in hotels is better paid compared to guesthouses, most employment opportunities are only open to young people who have completed high school or university, and have sufficient skills, including foreign language skills, to be able to communicate with tourists. According to employees working in the accommodation value chain, the salary of a hotel section manager is about USD 200-300 per month; that of a hotel receptionist USD 100-200; a guard USD 50-80; and gardeners and cleaners USD 40-60. Most guesthouses are operated by family members, but need a few workers who are paid about USD 30-40.

Moreover, the increased demand for tourist accommodation in Siem Reap town has provided employment opportunities in areas such as construction, repair maintenance, gardening, cleaning and security for local residents, especially the poor villagers who lack knowledge, skills and general education in other areas. The construction of hotels and guesthouses, shops and private housing employs many local people aged between 15 and 40 from poor households, living in villages surrounding Siem Reap town. Although construction is hard work, an unskilled worker can only earn on average USD 4 per day (men) and USD 3 per day (women). Construction work is highly valued by local residents, as it is better paid than agriculture and it is easier to find employment in this sector.

However, very few poor local people are employed in hotels and guesthouses in Siem Reap town. Based on tourism statistics compiled by the SRPDT, in 2012 this sector employed approximately 20,000 people, of whom 8,372 (2,812 females) worked in hotels and apartments, and 1,184 (724 females) in guesthouses. Based on interviews with 10 village chiefs, only a few poor households in each village had members

working in hotels. Although no information was available on the number of employees in the accommodation sector, SRPDP (2012) revealed that 2.2% (135 persons) of the Chreav commune population were employed in the private sector (those receiving salaries or wages), 1.4 % (64 persons) in Nokor Thum commune and 0.6% in Krabei Riel commune. These figures indicate there is only a low participation rate of local residents in this tourism value chain.

A former village chief in Chreav commune, whose wife worked as a cleaner in a hotel, told me that it is difficult for a villager to get a job in a hotel unless there is a network or relatives already working there. Although his wife earned only USD 50/month, she had to work hard, otherwise she would lose her job. He said that

*although the salary is not much, work in hotel is not easy to find. If we don't know someone working in that hotel, we can't get it. Hotel employees can introduce their friends and relatives to their boss if he needs staff. My niece working in that hotel asked her supervisor to accept my wife to work there. There is only a few people in this village working in hotels.*

Similarly, a section manager who worked in another five-star hotel for 12 years told me that all of his siblings (two sisters and a brother) work in hotels because he received support from his friends. He said

*I have many friends working in hotels and I asked them to inform me if their hotels need staff. We always help each other. I asked my boss to accept their relatives and they did the same... that's why my brother and sisters got jobs in hotel.*

### **8.3. Accommodation and tourism linkage opportunities**

Tourism development in Siem Reap has provided accommodation business opportunities for both local residents and others. A retired civil servant told me that rich Cambodians, politicians, government officials, businessmen and expatriates, have invested a lot of money in hotels because of the rapid growth in tourism in this area. He said

*it is a great opportunity for those who can afford to invest in this accommodation business because of this trend. I think that [rich, politicians, and government officials] millionaires don't want to keep their money in banks, because they don't trust the banking system in Cambodia, and they also have other reasons for doing so. Therefore, they bought land and built hotels, hoping that their investment would be secure and they can gain more profits in the future.*

Land requirements for hotel construction and other tourism facilities have sharply increased land prices in Siem Reap. This phenomenon has motivated some local residents to sell their land. While some people use the proceeds from selling land for other purposes, a few use these proceeds to build guesthouses which gives them an opportunity to be involved in the tourism business. A civil servant respondent living in Siem Reap town informed me that some people outsource the management of their hotels and guesthouses, whereas others run this business by themselves. This trend makes some people rich, and provides job opportunities for villagers in the surrounding area. He told me that

*Siem Reap used to be a quiet town, but now it should be named the 'hotel city' because hotels and guesthouses grow like mushrooms. We can see hotels and guesthouses everywhere in the city, even on small plots of land, with only narrow road access.*

A villager living in Krabei Riel commune told me that the boom in hotel construction provided job opportunities for local residents living on the periphery of Siem Reap town, especially those from poor backgrounds. He said that

*a few years ago, most villagers and I got employed in construction. My village was very quiet because the people aged between 16 and 40 years went to work in the city. We rode bicycles to the construction sites every morning. Roads were full of bicycles. But, now, there are only a few jobs in construction, such as maintenance and repair. I still get this job, but others have to find other jobs, because there is no more work in construction.*

A hotel boom in this city not only provides jobs to artisans, but also to related businesses, such as the brick and tile factories, food and retail businesses, accelerating local economic growth. A respondent working in SRPDT said that “*accommodation is a core business of tourism because it can provide related jobs to other tourism value chains, supplies and services*”. For instance, a carpenter workshop owner who employs 25 artisans told me that some luxury hotels and guesthouses still provide work for his staff. He said that “*to attract customers and to show traditional Khmer sculptures, they [hotel and guesthouse owners] need some products to decorate their hotels and guesthouses. So, I always have a lot of work for my staff*”.

Moreover, although most tourists like staying in hotels and guesthouses in the city, those who want to experience local residents' daily life, culture and livelihoods prefer homestay accommodation with local residents. This trend could provide income opportunities for households who can manage to operate homestays. However, because

of legal restrictions there are only two places that come close to being homestays in the study area: North Sras Srong village, Norkor Thum commune, 10 kms from Siem Reap town and located in the centre of Angkor complex and San Day Village, on the road to the Bantey Srey temple, 26 kms from downtown. According to the same respondent working in SRPDT, although they are considered as a kind of homestay, they are not authentic. He explained the difference from a guesthouse; the real homestay is a place where tourists stay for one or more days with house owners to experience traditional, cultural and daily activities.

A village chief who operates the homestay in Norkor Thum commune told me that tour companies bring their customers to stay in his houses, but individual tourists cannot stay in them because of legal restrictions in the Angkor Archaeological Park. He told me that a female French researcher who stayed with his family a long time ago to conduct research in this park built the homestay premises for him, and that is why he has two houses. She is now a coordinator who contacts tour companies to bring customers to stay in his houses. The homestay owner said that

*tourists stay here in groups. All of them are European and American tourists. My wife cooks Khmer traditional food for them and charges USD 5/person. If some of them cannot eat Khmer food, we buy food from restaurants for them. I charge them USD 25 if the group consists of 7-10 people. If the group is between 10-20 people and stay in both of my houses, I charge them USD 40. Tourists stay here only for one night, have lunch or dinner and go back to downtown...I depend heavily on tour companies to supply clients because they have licenses to bring tourists here... I get only one or two groups per month in the peak season and one or two groups per quarter in the low season. If I have more than this, my living standard will improve.*

In the above case, to ensure the security of tourists, the homestay owner, who is a village chief, paid local policemen to protect tourists at night. Support from foreigners with connections with tour companies and tourists enabled the owner to run this business. However, dependence on clients from tour companies is not a good option for this business. According to this homestay owner, tour companies charge high prices from tourists, but pay a small proportion to him. This was confirmed by a tourist guide who claimed he had been told by some tourists on package deals how much they had paid to tour companies. It is noticeable that the price of this homestay and the food are very cheap compared to hotels and guesthouses in Siem Reap town, but owners seem happy to provide this service. If more tourists get interested in this kind of accommodation, it would provide a great opportunity for villagers and would enable

them to earn more income. Moreover, if more villagers could afford to run this type of business, it could contribute to poverty reduction in this area. Unfortunately, legal restrictions in this park are a constraint, preventing villagers from becoming involved.

Discussions with village chiefs in this commune indicate all of them desire to run this type of business, but they told me that individual tourists are not permitted to stay in villagers' houses for security reasons. Moreover, running a homestay business requires basic hospitality skills and foreign language abilities. For instance, operators have to know how to serve, communicate, and cook for tourists and deal with other issues, such as sanitation, security, and promotion of their services. However, they have the main resources required to operate this type of venture: village location and accommodation. If villagers were supported by government agencies, tour companies, tourist guides and other tourism stakeholders, these opportunities could be developed. A committee could play a vital coordinating role in supporting local communities, helping them to become involved in the accommodation value chain. With appropriate homestay regulations, training of villagers in hospitality and promotion by tour companies, homestays could be a tool for reducing poverty in the Angkor Archaeological Park. A village chief in this commune, who believes that his community can provide services to tourists such as accommodation and other entertainment activities, has requested the government train his community so they can participate in the tourism business. He said

*government should teach us [villagers] how to catch fish, not giving fish to us. Most of us want to be involved in the tourism business, but we do not know how to do it. So, they [government officials] should support us, teach us how to operate tourism businesses and tell us what we should do to get benefits from tourism... Nothing is impossible to us, if we are trained to do these jobs. We will try our best to do it because we want to be rich too.*

This statement indicates a commitment and determination of local residents to participate in tourism businesses. I would argue that policy makers, developers or community workers should consider this initiative, if they want to support villagers to escape poverty. However, a civil servant respondent who has worked with poor communities for many years said that

*working with the poor is not easy because they are poor in everything. No resources [financial capital and natural capital], no ideas, no knowledge [human capital], no commitment, no patience... it takes time to deal with them [the poor], engage with us [community developers] and train them to become active citizens. We have to be patient if we want our poverty reduction goal to be accomplished.*

This view was supported by other respondents, including two village chiefs who admitted that it is difficult to work with poor residents because of their living conditions, way of life, habits, behaviour and attitude patterns. While one respondent provided examples of spending and saving and lack of patience to earn a living or run a business, another mentioned laziness. However, they agreed that more support is needed to help them escape poverty. A respondent said that *“they would not be poor if they have the same behaviour or attitudes as the non-poor... we have to understand their life. So, time is needed to change their [way of life]”*. But they are poor because they do not have livelihood assets including financial, human, social, physical and natural assets. Therefore, measures should be taken to address this issue.

The following case is an example of community development through tourism, in which a local tourism entrepreneur supported the local community to build their human and social capital in order to receive economic benefit from tourism growth.

**Box 8.1 Linking the accommodation value chain to community development**

The Bong Thom homestay, whose owner has worked for hotels for nearly 20 years, consists of three traditional Khmer houses, in which tourists can live as a Khmer family, and experience Khmer culture and the nature of a traditional lifestyle. The houses were designed and built with traditional materials and in the Khmer style. This homestay is located outside the protected Zones 1 and 2 which enables the owner to develop this business and provide more services to tourists. Traditional Khmer food is served, activities such as camping, cycling, attendance at Cambodian ceremonies such as weddings, traditional dance, cooking classes, ox-cart rides and farming are offered. Highly motivated villagers have been trained in hospitality and 20 of them were given jobs in this tourism venture.

Cooperating with the local community to utilise community resources such as ox-carts, handicrafts and other products, sugar made from juice extracted from the flowers of palm trees and other agricultural products, the homestay owner helps the local community to diversify livelihoods, contributing to poverty reduction. To strengthen human capital, evening classes are organised for villagers who are interested in learning English. Villagers who are not homestay staff are also encouraged to join these classes. However, villagers have to show their enthusiasm and determination to study hard. Regarding social capital, villagers have been supported to form an informal ox-cart association, which provides entertainment transportation to tourists who want to experience Khmer villages and the rural landscape.

According to the homestay owner, it took nearly two years to persuade the local community to understand and become involved. He said that “*after some villagers receive financial benefit from his initiative, others start joining his projects..., but I still need more time to teach them. It is the beginning only*”. An initiative of a homestay owner to build villagers’ social and human capital (e.g. providing training in the English language and creating an ox-cart association) is a model that could be applied to other villages if tourism stakeholders really want to help local communities receive a fair share of tourism revenue. Based on what the local community has (e.g. existing traditional livelihoods such as handicraft and palm sugar production and ox-carts), local people have the ability to participate in the tourism sector by running a small business. According to this initiative, I would argue that the involvement of poor residents in tourism value chains not only enables them to increase their household income, but also encourages them to participate in cultural heritage conservation and environmental protection, to ensure tourism sustainability in this appealing tourist site. This also decreases the pressure on the environment where local people’s livelihoods depend heavily on natural resources and agriculture. Tourism can be an effective tool to alleviate poverty, if the local population is given an incentive to use their initiative to become involved in tourism value chains.

#### **8.4. Conflict between workers and hoteliers**

Conflicts between workers and their employers occur frequently in Siem Reap. Some conflicts have been going on for one or two years, whereas others have been resolved quickly after mediators explained the labour law and both parties agreed to compromise. An official respondent working for the SRPDLVT told me that both parties agreed to end their dispute after they understood the real situation for each other. He gave an example of a dispute between one hotelier who is a member of parliament and his employees. The hotelier told the employees that the business was losing thousands of dollars each month and that he was trying to overcome this financial problem. He explained that if he closed his hotel, the employees would lose their jobs and he did not want this to happen. He promised to offer more incentives and increase wages if the hotel became profitable. After the owner explained this to the staff and requested workers to drop their demand for higher wages, the hotel workers accepted his proposal. That conflict was solved because they understood each other. Based on this case, I

would argue that every conflict can be addressed based on mutual respect and benefits for both parties.

In the following two sub-sections, local newspapers were used to trace conflicts in which hotel workers lost their jobs and hoteliers' business operation and the reputation was badly affected. Two of the main causes of conflicts in the accommodation sector are labour law violations and unionisation. What has the government done so far to monitor or enforce the labour law? Why can this law not be enforced? The following cases, reported by local newspapers, might answer these questions.

#### 8.4.1. Labour law violation in the accommodation value chain

A labour law expert told me that the main root of conflict is labour law violations by employers. He said that

*while some employers know nothing about this law, others ignore the wishes or suggestions of workers and don't care about the law. Some hoteliers depend on their lawyers specialising in other areas, but not labour law, to solve their problems with workers when the conflicts happened, whereas the others like to file complaints to courts. A few employers who have good connections or relationships with powerful officials prefer to use strong arm tactics to deal with conflicts. This worsens the conflict and damages a hotel's reputation.*

Some employers do not respect the labour law, whereas others use loopholes in the law to exploit workers. According to a local newspaper, the American Center for International Labor Solidarity (ACILS) claimed that several violations of the labour law occurred in some large hotels.

#### **Box 8.2: Violations of the labour law in major hotels**

Labour rights group found that some major hotels did not pass the service charge to their employees, a violation of the labour law. Referring to Article 1.34 of the labour law, the ACILS country manager stated that mandatory service fees must be given to employees in contact with customers. In 2003, the Arbitration Council (AC) handed down a non-binding ruling against a five-star hotel, ordering it to give all of its service charge revenue to its workers. A staff from that hotel told *The Phnom Penh Post* that the hotel no longer applied service charges.

Source: *The Phnom Penh Post* (2013)

Although the AC ruled in favour of the workers, some hoteliers continue to violate this provision of the labour law. Why did the hotel stop applying service charges after the

AC ruling? Does this indicate that the owner does not care about workers' living standards? Does the hotelier want to attract more customers, avoid conflict or punish workers? According to a worker in a five-star hotel in Siem Reap, customers staying in that hotel have told him that they do not mind paying service charges if this money goes to hotel workers. If hoteliers comply with the labour law, service charge conflicts would not happen. However, this respondent told me that some luxury hotels in Siem Reap belonging to powerful owners, have not passed on service charges to hotel staff, and those employees are afraid of losing their jobs if they file complaints.

Without getting the service charges, workers will earn less than their entitlements, affecting the government's determination to use tourism as a tool to alleviate poverty. A respondent who works for a luxury hotel told me that his salary is not enough to support himself. The money he can save to send home is from tips and service charges. He said:

*Except for those who have high positions in hotels such as general managers, section managers, purchasing managers, head chefs, the salaries of ordinary staff are too low. It is difficult to survive on this salary. However, I can save some money from service charges provided by hotel managers and tips from generous guests. I get about USD 15-20/month from service charges, USD 10-25/month from tips and USD 60/month in wages. Without the money from service charges and tips, I have nothing to send back home.*

The following case is a conflict history of service charges between hotel management and employees leading to hotel customers boycotting Raffles hotels and the separation of worker union because of workers' financial pressure caused by the prolonged dispute. This case presented an effective tactic applied by hotel management to solve this problem. While some workers and hotel unions were losers, breakaway workers dropped their demand and returned to work because they had succumbed to financial pressure to support their families.

In this case, hotel management tried to find a loophole in the legislation to exploit workers because the labour law is vague on what proportion of the service charge should be paid to workers. The RGC also failed to issue an official announcement to clarify the labour law and this failure enabled hotel management to continue using the loophole. Despite public support for boycotting this hotel, there was no reaction from the government at that time.

### **Box 8.3: A service charge dispute in hotel A**

The year-long dispute between hotel A and labour unions on service charges started in 2003. Hotel workers demanded minimum salaries, extended maternity leave and the service charge, as well as the compensation for workplace accidents and deaths, but the hotel refused all of these. A union leader claimed that some of those claims had already been agreed by the employer. Another union leader claimed that the employer had been in breach of the labour law for six years, saying that if the employer had obeyed the labour law, the protest would not have happened. While workers requested that all service charges be given in full to them, the hotel general manager said some should be retained for improving the workplace and staff development, claiming that the labour law does not state exactly what percentage should be allocated to workers.

In June, 2004, the International Republican Institute (IRI), a US government funded organisation urged foreigners to boycott Raffles hotels in Cambodia, after 190 striking workers were fired in Siem Reap because they demanded the service charge. IRI expressed its concern that the hotel management had failed to resolve the lingering dispute despite the AC's ruling and wrote that wrong and right in this dispute is crystal clear and hotel management is wrong.

Source: *The Phnom Penh Post* (2004)

During a strike, the hotel management organised a secret strategy to separate workers into two groups. A breakaway group accused the union leadership of inflexibility, claiming that financial pressure encouraged them to give up their protest, but is this the full story? Did this breakaway group get financial support from hotel management? Why did the pro-government union interfere in this conflict? Why did the rival union not help employees get the service charge? Why did this union support the employer? The answer to these questions could be as perceived by a hotel worker, who is one of the victims of this conflict:

*Money can make white become black and black become white... the power of money is very strong... it can change the minds of people... it can shut the mouths of protesters and officials... it is also a sleeping medicine making government officials to sleep well without caring about people's suffering.*

Why did the RGC keep silent about this conflict? A respondent who has worked in a four-star hotel in Siem Reap for nearly 10 years alleged that some hotels in Siem Reap, especially those owned by powerful people, do not pass on service charges to

employees. He said “*some of my friends who work in those hotels told me that they never receive service charge money from their employers and they have no plan to organise a protest because they are afraid to lose their jobs*”.

A retired civil servant respondent also alleged that most of the luxury hotels in Siem Reap are owned by rich and powerful government officials, or those who have good connections with government officials. He said:

*As far as I know, only a few big hotels belong to foreign investors and the rest belong to Cambodian people. The owners of these big hotels are government officials, members of parliament in Siem Reap and from Phnom Penh. The others belong to those who have close relationships with powerful people.*

What about government agencies responsible for enforcing labour laws? What challenges have they faced? According to civil servant respondents, hoteliers who have good connections with government officials ignore approaches by law enforcement officials, instead using their relationship with powerful officials to solve problems. A respondent working for the SRPDLVT told me he does not have much power to implement his duties.

*Some hotel owners cooperate with my department, but some don't want to listen to us when we request that they respect the labour law. Some owners pretend to be familiar with this law, while others ignore it because someone supports them or they are powerful. It is very difficult to deal with these kinds of people.*

What are the consequences if the labour law cannot be enforced? The workers and their families become victims of inadequate law enforcement. The working conditions cannot be improved to reach international standards. Workers continue to be exploited by hoteliers. The benefits of tourism are not distributed fairly to disadvantaged people. The government's intention to use tourism as a powerful tool to alleviate poverty cannot be accomplished because workers from poor backgrounds are unable to make enough money to support their families. Service charges and tips from generous tourists are the extra financial sources that could alleviate poverty for households with family members employed in hotels. If the government neglects this issue, social conflict can break out any time when the workers cannot bear the pressure from employers. Thus the government's reputation will be damaged by inadequate law enforcement.

#### 8.4.2. Unionisation discrimination in the accommodation value chain

Conflict between employers and employees can happen any time when workers are familiar with the labour law. Workers can use their rights to form unions in each hotel or become members of existing unions. The following cases are examples of hotel owners who do not want workers to form unions in their hotels. Unionisation discrimination has led to conflicts in some hotels and caused negative impacts on the accommodation business. According to *The Phnom Penh Post*, there were some conflicts related to these issues in Siem Reap.

##### **Box 8.4: Unionisation discrimination in hotel B**

The Cambodian Tourism and Service Workers Federation faced a challenging battle to unionise local hotel workers, particularly in Siem Reap in 2008. Hotel B, owned by a Cambodian People's Party parliamentarian, whose son is the hotel general manager, took action against a campaign to unionise its employees. The union filed a complaint with the SRPDLVT after some workers were fired for trying to unionise workers at the hotel. The complaint also alleged that the manager forced other employees, regarded as union activists to resign, a move the union claims is anti-union discrimination and unconstitutional. This complaint states that the hotel owner has always ignored industrial legislation, but its management maintained it is just a family business and a union is not wanted. A union leader requested the hotel management to reinstate the ousted workers and improved working conditions.

Source: *The Phnom Penh Post*, 2008

This case indicates discrimination of unionisation in the accommodation value chain in Siem Reap. Although the government agency responsible for labour law enforcement vowed to settle this issue, hotel workers have been reluctant to join unions because they risk losing their jobs. Lack of legal action or measures to punish wrongdoers create a culture of impunity in this sector and encourage employers to apply more pressure on their employees not to join unions. For instance, another case (appendix E) shows that hoteliers did not care about non-binding rulings of the AC, provincial authorities and court verdicts because of ineffective law enforcement. The concrete evidence in the dispute between hotel owners and workers is that although the owners ignored the court order delivered to them by the police, no legal action was taken against them. After the Siem Reap court reversed its decision and protesters were forbidden to demonstrate in

front of hotels, some union representatives were arrested by police and sued by the hotel owners, alleging that they destroyed hotel property and other charges related to intentional crimes. Ultimately, union representatives became defendants and hoteliers become plaintiffs. Some sacked workers agreed to take compensation packages, because they realised they would not be reinstated. Some sacked workers who refused to accept compensation packages were still unemployed at the time of my fieldwork, and they were overwhelmed by sadness caused by this injustice. The reversed court decision, intimidation by hotel owners and legal action against union representatives discouraged them from continuing their struggle for justice. As informed by a sacked worker who became a tuk tuk driver said that

*unlike other former colleagues, I am fed up with hotel work because I experienced injustice in this conflict. I don't want to apply for hotel job anymore. Some of my former colleagues tried to find other jobs here, but for me, I try to do what I can with the little money I can earn in this province. I don't want to work for other employers anymore. I want to run my own business which gives me more freedom and a free lifestyle. This is the reason I bought a tuk tuk*

According to several interviewees and the local newspaper, the owners of many hotels are powerful people. They have violated the labour law by preventing workers from unionising their hotels, but it appears they were able to use their power to avoid compliance with the legislation. Although both parties are losers in this conflict, workers have lost the most because they were unable to be reinstated in their workplaces. Most workers agreed to accept compensation because they realised they would not be able to be reinstated, although the court and AC ruled in their favour. It is difficult for workers who are dismissed due to industrial action to find new jobs, because other hoteliers who have networks on this tourist site might reject their job applications, fearing conflict at their hotels. A parliamentarian disrespecting the law can create a precedent for other hoteliers. A culture of breaking the law in the accommodation sector does not hold out much hope for workers who want to assert their legal rights. The first step in reducing poverty for workers in the accommodation sector thus requires strict compliance with the labour law, the trade union law and reasonable wages.

## 8.5. Accommodation and tourism linkage constraints

Although tourism development has provided business opportunities for rich people and job opportunities for poor local residents, some challenges and constraints prevent them from getting benefits or jobs in this value chain. A hotel owner who rented his hotel to tour operators told me that most tourists who visit Siem Reap are Vietnamese, Chinese, and Korean. They always stay in hotels operated by their respective nationality and he always made a profit loss because he could not attract Asian tourists on package tours to stay in his hotel. This is a main reason he stopped running this business. He said that

*most of my customers were European tourists who always came here between November to February. The rest of the year, I did not have more customers to stay in my hotel and what I earned could not afford to pay wages to my employees and other operational costs. Therefore, I decided to rent this hotel. Although the amount of money I got from this rent is lower, if compared with the interest of loan I borrowed from the bank to build this hotel, this income is higher than if I run this hotel by myself.*

Another hotel owner told me there is competition in the accommodation sector. Those who borrow money from banks find it difficult to be successful because some hoteliers who do not need bank loans can engage in predatory pricing. He said

*some hoteliers have millions of dollars. They don't care about the price of the room and they don't need to pay interest rates because they don't borrow money from a bank. To get customers, some hotels have reduced the price of rooms. High prices for electricity, gasoline for electric generators, tax ... create difficulties for some of us.*

According to SRPDT (2012), the prices for two-star hotel rooms range from USD 15-49, a three-star hotel rooms from USD 50-100, four-star hotel rooms from USD 100-200 and five-star hotel rooms from USD 150-1900, whereas rooms in guesthouses range from USD 2-30. If prices of guesthouses and three-star hotel rooms are reduced, their businesses may not survive. The same hotel owner told me that in the tourist low season, some guesthouses and hotels experience profit loss and the owners have to borrow money from microfinance institutions to pay their staff. He said “*what we earn is not balanced with what we spend*”.

A guesthouse owner who sold land to build a guesthouse told me he borrowed money to finish his building. He said that

*money from selling land was not sufficient to build this guesthouse. So I had to borrow money from a bank with high interest rates. I got USD 200,000 from the bank and I have to pay USD 600,000 back to the bank over a period of 20 years because each month I have to*

*pay USD 2,500. So, if my net income is less than USD 3000, my business can't survive and the bank will auction my building. I sometimes feel I am a slave of the bank.*

According to SRPDP (2012), 27 microfinance offices and 24 bank offices operated in Siem Reap city in 2011. These institutions provide local residents and investors with an opportunity to access financial capital to expand their businesses. However, high interest rates create challenges for borrowers. A bank manager in Siem Reap told me that microfinance institutions (MFI) charge higher interest rates than banks. This claim was confirmed by the manager of an MFI. He told me that his institution can provide loans of up to USD 200,000, but the interest rate is 1.2%/month. The same bank manager informed me that some guesthouses and hotel owners whose businesses cannot run smoothly have to give up or sell their properties. High interest rates, low room prices plus expenses for electricity and gasoline mean owners of hotels and guesthouses who borrowed money from banks and MFIs face more challenges and in turn their businesses can become insolvent. This can affect the wages and salaries of those who work in the accommodation sector. The employers have to reduce salaries and/or shed staff when suffering financial problems. The financial institutions providing loans absorb a high proportion of tourism income and are therefore beneficiaries of tourism development.

Based on respondents' perceptions, in addition to financial constraints, guesthouse owners and hoteliers face other constraints that can discourage foreign investors from involvement in this value chain. These constraints include infrastructure, such as running water, electricity and treatment plants. Lack of local, regional and international networks with tour companies, hotel chains and other tourism stakeholders represent social constraints faced by some Cambodian guesthouse and hotel owners. There are also institutional constraints (e.g. corrupt practices and lack of trust in the judicial system) which require some support or network with powerful officials to ensure businesses run smoothly. The above constraints are compounded by human resource constraints, such as inadequate skills in hotel or guesthouse management, financial management, hospitality, fluency in foreign languages, and information and communication technologies, as well as a low level of understanding of relevant laws. The president of the Cambodia Hotel Association, the president of the Cambodia Restaurant Association and an official working in CMT confirmed that tourism growth

in Siem Reap really requires more skilled and management staff, especially those working in customer services and cooks (*The Cambodia Daily, 2014*). These constraints must be overcome if their businesses are to become viable.

Regarding local communities on the periphery of the Angkor Archaeological Park, the main constraints preventing them from gaining employment in the accommodation sector are: lack of social networks to get information about vacancies; lack of foreign language knowledge; low, general educational levels; and inadequate support from the government, NGOs and tourism stakeholders for vocational training. Without more skills, their employment prospects are limited to security, cleaning and gardening. Asked if he can provide employment opportunities for villagers, especially the poor living in the study area, a hotel manager replied that

*to get access to hotel jobs with reasonable wages, villagers should be trained at least one or two years in hospitality schools. We need staff with tourism vocational skills. We can't employ unskilled people because we have no funds to train them. We really want to help the poor, but we can't afford it. Many young people who hold high school certificates or bachelor degrees from other provinces apply for jobs in our hotel, but we can't employ them all because we don't have more jobs for them to do.*

The director of education at a hospitality school, called Ecole d'Hotellerie et de Tourisme in Siem Reap, claimed that this school has the ability to train 250 students per year only, about 20% of applicants. He said there are about 1,000 to 1,300 applicants per year, but his school only has the capacity to train about 250 per year, because it does not have enough funds or resources to expand its operation (*The Cambodia Daily, 2014*). This statement is consistent with what I was told by a former village chief in Chrev commune. He was of the view that local people do want to study in that school, but they are not eligible. He said

*That school accepts only children from poor families. If applicants do not meet its criteria, they have to pay. I also want my children to study there, but they were not accepted by that school because my family is not classified as poor.*

A civil servant living in Siem Reap town recommended the RGC should provide funds to this school or the the Siem Reap Provincial Department of Labor and Vocational Training (SRPDLVT) to train local people about tourism skills, so they can participate in this industry. Based on my informal discussions with local people, many want their

children to learn tourism skills and get jobs in this sector. A villager living in the Angkor Archaeological Park whose son migrated to Thailand to find work said:

*If my son has tourism skills, such as cook or tourist guide, he would not go to Thailand. I do want him to stay and work here, even though I was told that wages in tourism jobs are lower compared to what he earns in Thailand. Working in Thailand is not a good option for him because it is not safe, but he told me that he has no choice. Sometimes I can't sleep because I worry about him.*

I would argue that if this problem is not solved, skilled people from outside Cambodia will fill this gap and economic benefits from tourism will go elsewhere. Young local people who are not trained in tourism skills might migrate to other places because they do not have tourism job opportunities. It has been found that government agencies and tourism stakeholders lack qualified human resources which lead to economic leakage in this sector. Therefore, urgent measures should be taken in response to this issue.

## **8.6. Concluding remarks**

In summary, tourism growth can provide both jobs and business opportunities for the local population. Hotel construction has provided employment for villagers. However, while rich hoteliers and foreign hotel chains benefited financially from this boom, guesthouse and hotel owners who borrowed from banks or microfinance institutions to run their businesses faced financial problems, because of high interest rates and potential competitors. Less profit from their business encouraged those employers to pay low wages when suffering financial problems. The financial institutions providing loans to domestic investors are beneficiaries of tourism growth because they absorb a high proportion of the tourism income. In addition to financial constraints, Cambodian guesthouse and hotel owners face basic infrastructure and social constraints, such as high electricity prices, running water and competition from regional and international networks of foreign tour companies, which prefer to use their national service providers who run accommodation businesses in Siem Reap.

Regarding local communities, lack of tourism skills, social networks to obtain job vacancy information, foreign language knowledge, low general educational levels and tourism vocational training have prevented them from accessing hotel jobs. As a result, less than 1% of local residents living in the three study communes had jobs in hotels. This official figure (compiled by SRPDP) indicates a low participation rate of local

residents in the accommodation sector. For those employed in hotels, low wages, exploitation and labour law violations by employers prevented them from earning higher incomes. The hotel workers' protests, demanding hoteliers and hotel management to obey the labour law, were unsuccessful because of less support or no government intervention to resolve this dispute. The hotel workers were fired from their jobs when they engaged in a dispute with employers. This discourages hotel employees to strike/protest against employers.

## CHAPTER 9: LOCAL COMMUNITY PARTICIPATION IN ENTERTAINMENT AND SERVICES VALUE CHAIN

*If I don't get job in karaoke bar, I have no money to send back home. I don't want to work here because some people perceived negatively toward me, but I have no choice. I can't find a better paid job than this because I am illiterate and I do not know how to speak foreign languages.*

A karaoke female employee in Siem Reap city

### 9.1. Introduction

This chapter deals with the entertainment and service value chain in Siem Reap town and other related tourism employment in the Angkor archeological park. Entertainment and service linkage opportunities and constraints are explored and stories of those who are involved in this value chain are presented.

Tourist guides, karaoke and massage employees, tour company staff and workers of temple restoration projects were key informants for this chapter. I conducted in-depth interviews with these respondents at their houses and in rented rooms. I also conducted interviews with officials (APSARA, tourism department, deputy commander of SPCPCH), high school teachers at their offices, temple and security guards at temples and village chiefs in their houses. I had informal conversations with casual workers employed by private cleaning companies and contractors in their workplaces in the Angkor Archaeological Park, to seek additional information about the number of people employed in each workplace, workers and staff wages and constraints and opportunities of local communities to become involved in tourism-related employment. The interviews with karaoke and massage employees were supplemented with observations during my visits to karaoke bars and massage parlors. With support from tourist guides, who enjoy their free time at massage parlors and karaoke bars, I could access those female employees and talk with them about their earning situation and the challenges they faced. Documents from APSARA and SRPDT were used to present the number of workers and staff employed in this value chain and other tourism-related employment. Thus the core research question raised here is: *What are the opportunities and*

*constraints for local communities and migrants to participate in the entertainment and service value chain and other tourism-related employment?*

## **9.2. Locals' involvement in entertainment, services and tourism-related employment**

In response to tourism growth, the number of leisure activity operators has increased significantly. According to Siem Reap tourism department, the number of travel agencies and tour operators increased from 12 in 1994 to 149 in 2012. The number of registered licensed tour guides increased from 95 in 1994 to 3,572 in 2012. The number of registered licensed massage businesses, karaoke bars and discotheques in Siem Reap province is 47, 18, and 6 respectively. This value chain sector employs approximately 3,000 people, excluding self-employed tourist guides, of which 796 (611 females) work in karaoke bars and discotheques, 494 (432 females) in massage parlors, 577 (231 females) in tour companies and tour agents, 370 in resorts and 450 in golf clubs.

Tour companies and local tour agents pay higher wages than other related establishments. However, these are accessible to the few with better education (especially foreign language skills) and those with personal connections. Similar to hotel work, these companies employ only young, attractive people, who have excellent foreign language communication skills, which is why such jobs are open only to a few. The salary of tour company staff is approximately USD 250-450/month.

A tourist guide is a popular profession because of high incomes, compared to other tourism-related trades and professions. An individual guide can earn from USD 20-40/day, depending on foreign language ability, with a premium for languages other than English. In recent years, Spanish, German and Russian speaking guides have earned more than other guides, because only a few can communicate in these languages. The increasing number of Vietnamese, Chinese, and Korean tourists in the last two years has increased the demand for more guides knowledgeable and fluent in these languages. Tour guides can also get extra income, such as tips from generous tourists, and commissions from restaurants, handicraft and souvenir shops.

Similar to other units in the local tourism value chain, the monthly average wage of employees who work in karaoke bars, massage parlors, discotheques, and golf clubs is

about USD 50. However, according to the interviews with female workers, those who work in karaoke and massage parlors get more tips than employees in other tourism value chains. While some of these female workers are from villages in this area, the majority are from other provinces and poor family backgrounds.

Local residents are also employed in tourism assets and temple restoration projects implemented by international communities and foreign donors, and in close cooperation with APSARA. Natural and cultural tourism assets in Siem Reap consist of ancient temples, cultural handicraft villages, museums, Kulen Mountain, Kompong Phluk, Chong Kneas, floating village, Tonle Sap Lake. These assets are managed by public institutions such as APSARA, the Cambodian Ministry of Culture and Fine Arts, SPCPCH and private companies.

According to officials working for APSARA and SPCPCH, the government has a policy of giving priority to local residents for jobs as heritage police, temple guards and cleaners of heritage and temple sites and as park rangers. SPCPCH, whose main responsibility is to protect the monumental areas in Cambodia and work closely with APSARA to ensure security for tourists and foreign officials provides job opportunities for local residents. Based on an interview with the deputy commander of SPCPCH, there are 320 policemen in the Siem Reap-Angkor region and 90% are local residents living in the Angkor Archaeological Park and surrounding areas. Their salary ranges from USD 150 to USD 300. To be eligible for this job, applicants have to finish Year 9. In 2012, APSARA employed 999 managerial and professional staff and 1, 813 workers. Most of these workers are from poor backgrounds and reside in villages around temples. Although the APSARA official refused to provide more detail about staff and workers' wages, he claimed that the monthly wages of temple guards and environmental and conservative guards range from USD 25 to USD 50; the minimum wage for managerial staff is USD 170 and USD 400 for professional staff.

It was observed as mentioned above that some villagers living in the Angkor complex have jobs as temple guards, security guards and cleaners of cultural heritage and temple sites and as park rangers. They are employed by APSARA. The village chiefs informed me that between five to 15 local residents from each village in the protected zone are offered these jobs. These workers receive lower wages than those who work for

restoration projects sponsored by foreign governments. While a female cleaner told me that her salary is UDS 40, a temple guard said that the salary of temple guards and security guards is USD 25-50/month. He explained that, although they pay less than other jobs, the working conditions are easier than other types of employment. And these workers still have the time and energy to help family members with other work, such as handicraft production, souvenir selling, and farm work.

**Table 9.1: Number of APSARA employees**

<b>APSARA department</b>	<b>Staff</b>	<b>Workers</b>
Conservation of the onuments in the Angkor Park and Preventive Archaeology	80	592
Tourism Development of Angkor	168	194
Land Planning and Habitat Management in the Angkor Park	76	1
Agricultural and Community Development	45	75
Water Management	43	368
Management of Forestry, Cultural Landscapes and Environment	47	227
Inter-sectorial Projects and Technical Support	35	46
Cultural Development, Museums and Heritage Norms	89	10
Development of Urban Heritage of Siem Reap	15	58
Conservation of the Monuments outside of the Angkor Park	27	242
Administration, Personnel and Materials	87	0
Finance and Accounting	55	0
Communication	19	0
Public Order and Cooperation	207	0
Angkor International Research and Documentation Center	6	0
	999	1813

Source: APSARA internal document (2012)

Young female villagers living on the periphery of the Angkor Archaeological Park were employed by private cleaning companies which received contracts from the RGC to clean this heritage site. All of them are from poor backgrounds and rode bicycles from their village to work in the Angkor complex. They collect leaves and clean rubbish along roads in the park and receive only USD 30/month. Some casual workers who were employed by contractors received contracts from APSARA to remove algae from lakes, ponds and ditches surrounding the main temples in the Angkor complex. They received USD 40/month. Talking with these workers during their lunch break I learnt they possess a low level of education. Long distances from home to school encouraged them to give up their study at a young age. Most of them did not finish primary education. Another factor is lack of foreign language teachers in their villages. Because they meet with foreign tourists when they work in the park, these workers told me they really want to learn foreign languages so they can communicate with tourists. They also

want to be tourist guides or work in tour companies because they are the highly paid jobs, but low levels of education and lack of knowledge and fluency in foreign languages are the main barriers preventing them gaining access to high paid jobs in tourism.

There are private companies that possess government licenses to collect entrance fees from tourists. The entrance fees for one day in Angkor Park is USD 20, USD 40 for three days, USD 60 for one week, and USD 20 for a one-day visit to Ku Len Mountain, USD 10 for a one-day visit to Kor Ke temples, and USD 5 for a one-day visit to Bang Mele temples. The total number of workers and employees in these companies as well as information about employees' salaries were not available. However, a respondent claimed that the monthly wages of those employed by private companies range from USD 100-200. This was confirmed by a female respondent working for a company collecting entrance fees from tourists near Angkor Wat temple. She told me that her monthly wage is USD 150.

The abandoned stone temples damaged by civil war and the rapid tourism growth of tourism in Siem Reap caused great concern to organisations such as UNESCO and the World Monuments Fund (WMF) among others that care about cultural heritage. This trend motivated the international community and RGC to take action to conserve cultural heritage. Temple restoration and conservation projects sponsored by foreign governments in France, Japan, Switzerland, New Zealand, Australia, India and others, such as the WMF and UNESCO, have provided jobs to villagers living in the Angkor Archaeological Park. Although a number of workers employed in such restoration projects were not available for interview, a respondent working for the Ta Phrom restoration project claimed about 200 workers were working to restore these temple ruins. According to interviews with workers in various conservation and restoration projects, their monthly wages range from USD 150 to USD 200. This is a reasonable wage and helps those workers to escape poverty.

### **Box 9.1: Worker of temple restoration project**

Mr. Sao has worked for nearly 15 years on Baphuon Temple and lives in Roral village in the Angkor Archaeological Park. His wage started at USD 40 in 1996 and increased to USD 200/month after working for six years on this project. Mr. Sao has three children who are studying at high school in Siem Reap town. Similar to other children in villages near temples, his children sell books to tourists after school. They earn additional income to support their study and save some of this income for their mothers. Saving from his own wage and the earnings from the children enabled Mr Sao's family to buy timber and other construction materials to maintain their house. Mr. Sao said that

*temple restoration project provides me this construction work... My children know how to earn income because of tourism development in this region. My family cannot escape poverty without these jobs.*

Mr. Sao has a rice paddy and another small plot of land where his wife grows vegetables for his family's consumption only. His wife used her savings to hire villagers to plant and harvest rice yields because all family members are busy with their jobs and cannot help her to do this farm work.

Similar to the other local people who are employed in tourism, Mr. Sao's family receives economic benefits from tourism growth. Four family members are involved in tourism and related jobs and they earn a reasonable income. Their savings were used to improve his house and support his children's education. Dependence on farm work was reduced. Their children were trained in bookselling to become hard working citizens from a young age. This perspective conflicts with views often raised by activists who have undertaken campaigns against child labour in this tourist destination. Mr. Sao argued that all parents do not want their children to do hard work, but lack of income and resultant poverty are the main causes that motivate children to undertake some work to help their parents. He added that children in his village always help their parents to do farm work, make and sell handicraft products, and they are admired by old people and considered as good children if they do so. Campaigners claimed that tourists should not buy handicraft or souvenir goods from children because it can encourage them to be involved more in this business and stop going to school. Responding to this statement, Mr. Sao said that "*if they don't help us, they should not break our rice pan*". He argued that his children do not give up their study and most villagers want their children to

learn more. However, they cannot send their children to school if they do not have sufficient income.

Regarding workers' wages in temple restoration projects, according to Mr. Sao, unskilled workers' wages at his workplace range from USD 50 to USD 100, skilled workers range from USD 150 to USD 200 and those who graduated from the Royal University of Fine Arts in Phnom Penh range from USD 450 to USD 600. Workers' wages in other temple restoration projects sponsored by foreign governments and organisations are similar. This amount can improve the workers' household economy and contribute to poverty reduction. However, although this restoration project can provide job opportunities for the local population, only a few of the villagers get this employment. According to village chiefs, there are between four and five people in each village who win these highly paid jobs.

### **9.3. Entertainment, services and tourism linkage opportunities**

As mentioned above, the rapid growth of tourism in this province provides tourism and tourism-related job opportunities for the local population and migrants. The following cases present stories, experiences and perceptions of those involved in these jobs in the entertainment and services tourism value chain and other tourism-related employment.

Although Mrs. H in Box 9.2 below does not have a high school certificate, her commitment to learn foreign languages and computer applications has helped her to get a good job in a tour company and this has enabled her to help her relatives to be involved in the tourism value chain. Her story indicates that people can develop themselves by constant learning while they are working. Her ability to use foreign languages and computer applications motivates her boss to promote and delegate her company work, which enables her to earn additional income. Developing personal capacity, as Mrs. H has applied in her career, is a good model which should be adopted by those who cannot afford to continue their study at higher education. Mrs. H's cooperation with other operators in the tourism value chain also enables her to earn additional income so she can set up a transportation business for her husband. Moreover, her husband's business is successful due to her role as the company coordinator.

**Box 9.2: Tour company staff**

Mrs. H, who left school at Year 11, started her career as a hotel worker earning only USD 25/ month. She studied two languages, English and Japanese, at evening classes after work. She gave up her first job as a hotel worker in 1995 and moved to work for a tour company after being introduced to a local tour company shareholder by her relative. With support from her American manager, she started learning computer applications and assisted him with office work. After working a few years with different managers of this company, she was promoted to public relations coordinator, earning USD 500/ month. This wage is higher than staff holding bachelor degrees from local universities. Although her main responsibility is to communicate and work closely with the people in the tourism value chain, such as hotel managers, restaurant owners, transport service providers and relevant authorities, she still helps her manager to do office work. Because of her good relationship with the people she works with, Mrs. H helped her relatives to get jobs in hotels and restaurants. She also helped her brother-in-law get a job as a tourist guide with this company.

Mrs. H has the ability to create a family business. She used her savings from this job to buy two vans for her husband and brother to ferry tourists. Different to other transportation providers, her husband always has clients in both peak and low tourist seasons because of her role in this company. Based on her experience of working in a tour company for nearly 20 years, Mrs. H has the ability to identify generous tourists from certain countries who always provide more tips to service providers. Her husband and brother-in-law gain more advantages because they always serve generous tourists. Mrs. H also earns commissions from those who need her support to supply clients to their businesses. This enables her to earn more income from this role. Mrs. H claimed that her living standard has improved because of tourism development in this city.

Mr. Sok's story in Box 9.3 proves that tourism development has provided additional job opportunities for local teachers to earn extra income. It helps to supplement the household economy of those involved in tourism. Mr. Sok's case is not unique. There were a few retired educational officials and teachers in Siem Reap city who got licenses as tourist guides. Because their pension could not cover their spending requirements, these retired people needed to earn additional income to supplement their pension by working two or three days per week. A retired respondent joked that this job not only enables him to disseminate the history of these temples, but also maintains his health because he has to do exercise by walking every time he guides tourists to visit temples.

Morrow (2015) found that tourism employees who have studied more years of English in Siem Reap have obtained higher incomes and good employment.

**Box 9.3: Self-employed tourist guides**

Mr. Sok, a retired high school teacher, started his career as a French tourist guide in 1993. He spent his weekends guiding tourists to earn additional income because his government salary could not support his family. While some school teachers leave their teaching career to become full-time tourist guides, Mr. Sok continued to teach students until he retired in 2005. Although he needs more money to support his family; Mr. Sok said that teaching is his hobby and he has an obligation to train the next generation to become good citizens.

During this period, his government salary was only USD 50 and this increased to UDS 120 when he retired, but his monthly earnings as a part-time tourist guide ranged from UDS 160 to UDS 350. Mr. Sok was paid USD 20/day for his service and also got some tips from his clients and commissions from restaurant owners and souvenir vendors. Since retiring from his teaching job, Mr. Sok has been offered a full-time job as a tourist guide for a tour company, but he decided to give up this job after working there for three years. He became a freelance guide because he wants to keep free time to enjoy his retirement. Income from the tourist guide job motivates Mr. Sok's children to learn foreign languages so they can get jobs or run a business in the tourism value chain. While Mr. Sok's daughters were enrolled in a local hospitality school and trained to become cooks, his son and son-in-law became English and Spanish tourist guides. Based on his experience and historical knowledge, Mr. Sok is paid more than other tour guides. He earns USD 30/day and he is often booked by tour agents to serve their customers. Mr. Sok claimed that income his family members earn from tourism has been used to build a new house and his daughters are planning to open a restaurant in the near future. Mr. Sok said *"I save nothing from my career as a high school teacher, but I save a lot from tourist guide job. My living standard has improved because of tourism development"*.

The popularity of such highly paid jobs encourages some teachers with foreign language capacity to give up their teaching career or reduce their teaching hours. While some teachers gave up their job, others use their free time to guide tourists, affecting students' learning. A deputy principal of a high school expressed his concern, but he admitted he has no authority to solve this problem because those teachers need additional income to support their families. It is said that while some young teachers become English, Spanish, German and Russian speaking guides, retired ones become French speaking

guides. Similar to teachers, some civil servants who speak foreign languages have given up their government jobs to become tourist guides.

While engaged in conversation with a few tourist guides about tourism's contribution to poverty reduction, it emerged that tourism improves the living standards of those whose jobs and businesses are involved in this sector. However, the majority of the local population (especially those living in villages in the Angkor Archaeological Park and surrounding areas) are not the beneficiaries of tourism growth. According to village chiefs, only one or two villagers in each village are tourist guides.

Moreover, as mentioned above, increasing numbers of Asian tourists in recent years have motivated local residents to learn Chinese, Korean and Vietnamese. And because this work is highly paid, foreign tour companies bring their own national staff to guide their clients, arguing that there were insufficient language speaking guides in Cambodia. However, local guides claimed this argument was used as a pretext for bringing their staff, because those companies do not want to hire and pay local guides. According to mass media, such as RFA in 2011, 2012 and 2013, local guides, local residents and politicians from both government and opposition parties were not satisfied with this trend. And the Cambodian minister of tourism has been criticised about this issue. Members of parliament from both parties requested the CMT to address this issue. However, based on my observation at some temples in 2012 and 2013, there were Korean and Vietnamese guides employed by their tour companies.

Russian tour companies also brought their tourist guides to Siem Reap in 2012 and 2013, causing the local Russian speaking guides to lose their jobs. A leader of the Russian Speaking Guide Association claimed that 80% of its members lost their jobs. This association ran a campaign by distributing an appeal letter to the local newspapers, requesting government and the relevant authorities to take preventative action. An official from the SRPDT claimed that foreign companies which employ interpreters to be tour guides are acting illegally and his department did not allow them to continue. I would argue that allowing foreign tour companies to employ their national guides could damage the economic interests of local guides and devalue cultural heritage, because those guides are not well informed about Khmer and temple history. Some tourists have behaved badly at these cultural heritage sites because of lack of instruction from foreign

guides who may not care about heritage value. Inappropriate behaviour of some tourists has been broadcasted by foreign mass media such as French TV and Aljazeera.

#### **9.4. Female workers' contribution to household economy**

A following case is a story of female migrant who contributed significantly to the earning in her household. She sent a remittance to support her parents and her siblings' education.

##### **Box 9.4: Karaoke employee**

Ms. Bopha is the eldest daughter in a family originating from a rural village in the Kompong Thom province. Similar to other girls in her village, she left school when she was 13 years' old to help her parents with farm work. Due to poverty, her parents had no ability to support her education. Similar to other villagers who depend on farming and natural resources for their livelihoods, her family faced big challenges because of low rice yields, natural resource scarcity and small, infertile farmland holdings. She left the village to work as a housemaid in Kompong Thom city for four years before migrating to Siem Reap to get a job as a cleaner in a hotel. She lives in a shared room with two other girls who were employed in a karaoke bar in Siem Reap town. She decided to work in a karaoke bar after being told she would earn more tips. Although her salary was only USD 30, Ms. Bopha was given tips between USD 10 to USD 15 per day. After paying for food and accommodation, she has been able to send home between USD 100 to USD 200 per month to support her parents and her four siblings' education. She wants her family to migrate to Siem Reap so that her siblings can receive better education, but her parents refused to do so. Ms. Bopha deeply regretted leaving school early. She wants her siblings to study more because she sees her clients who work in the tourism value chain and officials spending a lot of money every day. After she had made this request many times, her parents promised to send her siblings to live with her when they finished primary school.

This story shows that tourism can contribute to poverty reduction for those involved in the tourism value chain. The remittance Ms. Bopha sends to her parents each month can lift her family out of poverty. She has dedicated her life to her family and siblings' education, even though she was stigmatised by Cambodian society and culture. She said:

*If I live in my home village, I have no money... Although I feel lonely because I am away from my family, I decide to live here and work in karaoke bar because I need money to support my family... Some people think that this is an inappropriate job, but I don't care*

*about it. The main thing is that what I earn from this job can support my siblings' education. If I stay in my village, do farm work, ... my family cannot escape poverty. This is the reason I want my family to move and live here... I do want my siblings to study at university and learn foreign languages because I want them to get a good paid job.*

Although Ms. Bopha came from a rural village and received little education, she had a big dream for her family after she became involved in tourism. Influenced by people she serves at her workplace, she set up a plan for her siblings to improve their lives. She considers education important and has a commitment to encourage her siblings to study more. Although her job is discriminated against by some people, she is able to earn a lot of money, compared to her previous jobs as a cleaner and housemaid. Family attachment in Cambodian culture is strong and Ms. Bopha has used her ability to work as much as she can to support the family. Loneliness, strong family attachment, education and poverty in her village due to unproductive farmland and natural resource depletion are the main reasons she wants her family to migrate to Siem Reap.

The situation of a few karaoke girls with whom I made informal conversation is similar to Ms. Bopha's story. Poverty, natural resource depletion and low yields of rice and other products are the catalyst forcing them to migrate to Siem Reap town. However, with the reasonable income they earn from tourism, these female employees always send remittance back home to support their family. Their contribution to household economy can alleviate their family's poverty. Responding to my questions about how much they earn, how much they save, how much they send back home and what the remittance was used for, I found out these female employees contribute significantly to their households' economy. For instance, while one said that her parents used her remittance to improve house conditions, another claimed that her saving was used to buy a small rice plot. Another respondent told me her saving was used to buy two cows. A study by Lepper and Goebel (2010) in Botswana found that wages from tourism jobs and remittances contributed significantly to poverty reduction and livelihood improvement for poor communities.

Although their contribution can improve their family living standards, these female employees experience loneliness and stigmatisation. As young rural girls who live far away from their families, they face big challenges with both living and working conditions. They work late at night and live in small, crowded rooms in order to save money. One girl said jokingly that *"we are like owls because we work at night and sleep*

at day time". Moreover, strict Khmer culture towards young girls living away from their families and working at night is a serious problem affecting their social lives. These employees do not want anyone to know they work in karaoke bars. However, although they have experienced the abovementioned issues, these girls do not want to go back to their villages because of unemployment and low income from farm work. For instance, on behalf of their colleagues, a respondent said that

*for the poor, money is more important than reputation. We can adapt to the new working and living environment here because we need money... Poverty is more serious than our reputation... Our families will starve because we don't have enough rice to eat at our home village... Some people look down on us because we work at this place but we have to care about our families and ignore what people think about us and our job.*

Poverty and unemployment encourage young women to break from cultural norms. The motivation behind their decision is the desire to alleviate family poverty. Entertainment jobs in tourism can be a catalyst for cultural change and breaking norms, particularly in Cambodian tourist destinations. Those who work for massage parlors, discotheques and nightclubs become the main actors of counter culture. However, their role in the family is recognised because some of them become the provider actors of income earning. They become agents of change in poverty stricken communities where conservative culture is the norm. Therefore, I would argue that tourism is not only a powerful tool to reduce poverty, but also promotes the role of women in their households, if they can access tourism jobs.

Although female employees employed in the entertainment sector became main income earners in their families, they were often exploited. Moreover, strict Khmer culture towards young ladies working in the entertainment sector has affected their social lives. They often have experienced loneliness, discrimination and stigmatisation. However, although some people look down on them because of their work, they often ignore what people think about them and their job. Those female employees said that they have to care about their families and earn some money to support them. Although those female workers are not agents of female empowerment in Cambodia society, many of them play a significant role in diminishing strict conservative culture in their own families.

### **9.5. Entertainment, services and tourism linkage constraints**

Although one of the highly paid jobs in the tourism value chain in Siem Reap is as a tourist guide, there are constraints preventing villagers accessing this profession. In addition to foreign language skills, tourist guides also require a high school certificate. While inadequate education is a main constraint preventing those from poor backgrounds accessing these jobs, another constraint, according to some respondents, is the requirement to pay an “unofficial” fee for a tourist guide license. Village chiefs in the Krabei Riel and Nokor Thum communes claimed that most villagers’ children have not graduated from high school. They have also had no opportunity to access evening foreign language classes in the city because they lack means of transport. A village chief in Nokor Thum commune told me that although most children want to study foreign languages, there is nobody who can teach them in his village.

Similar to other service jobs, those who work for tour companies and tour agents can receive a reasonable wage. However, there are some constraints that prevent villagers access to these jobs. According to a respondent working for the SRPDT, working for foreign tour agents and travel companies requires a reasonable education level, foreign language capacity, communication skill and other skills such as administration and computer applications. A respondent working for a tour agent revealed that most foreign tour companies and travel agents send their national staff to work in Siem Reap, thus only a small percentage of local residents are employed in this sector. This claim was confirmed by a tourist guide who said that Korean tour companies not only bring their staff, but also their national tourist guides to work in Siem Reap. Regarding villagers living in the Angkor complex and on the periphery of the Angkor Archaeological Park, they lack the above mentioned skills and capacity to gain these jobs. According to village chiefs of all three study communes, nobody in their respective villages is employed by tour companies.

Although some local residents were employed in SPCPCH (applicants are required to complete Year 9), employment in APSARA as managerial and professional staff required a higher education level, thereby preventing local residents living in the communes to access APSARA highly paid jobs. According to village chiefs, most local residents dropped out of school due to the lack of high school in their commune at that

time. Although each commune has one junior high school, there is no high school. This is the main constraint preventing local residents from accessing higher education as well as to get reasonably paid jobs, which required at least Year 12. According to SRPDP (2015), the number of junior high school students enrolled in Krabei Riel, Chreav and Nokor Thum communes was 436, 1,681 and 261 respectively. Village chiefs told me that most students might give up their study after finishing Year 9 in these communes, if high schools were not available. They also claimed that although some villagers were employed as workers, cleaners and temple and security guards, nobody in their villages got jobs as APSARA staff because of their low level of education.

## **9.6. Concluding remarks**

In conclusion, I would stress that tourism growth in this province has created job opportunities for both local residents and migrants from neighbouring districts and provinces. However, low education levels and lack of foreign languages are the main constraints preventing them from accessing well paid jobs such as tour staff and tourist guides. Some factors such as lack of transport, no foreign language classes in their villages and long distances to high schools, prevent most villagers' children living in the Angkor complex and on the periphery of the Angkor Archaeological Park from learning foreign languages. Ultimately, they can only gain access to low paid jobs including casual work, cleaning, security and temple guards.

However, tourism development has also created additional jobs for civil servants and teachers who have foreign languages skills, enabling them to earn more income to improve their living standards. A few local residents who can access service jobs use their network to find jobs for relatives, set up a family business or earn additional commissions from other people in the tourism value chain. Although female workers employed in karaoke bars, discotheques and massage parlors receive low wages, they receive more tips from their customers. However, these workers are stigmatised because of the strict Khmer culture. Some migrants from rural villages who gain access to entertainment employment can save some money to send back home to support their families, enabling them to escape poverty.

Moreover, while some local residents living in the Angkor complex who were employed in temple restoration projects can use their savings to improve their living

standards, others who can access related tourism employment (e.g. heritage police, temple and security guards and cleaners) also help their families to earn additional money to supplement household income from other work (e.g. handicrafts and farming). Therefore, jobs in this value chain play a significant role to reduce poverty in certain households, if family members can gain access to them and be paid reasonable wages.

## **CHAPTER 10: LOCAL COMMUNITY PARTICIPATION IN FOOD AND BEVERAGE VALUE CHAIN**

*Foreign tourists are not my customers. They like eating their food, not Cambodian food. They spend their money in restaurants, not here.*

A roadside vendor

### **10.1. Introduction**

This chapter deals with the food and beverage sector by exploring the involvement of local residents in this value chain. Several cases about business and employment opportunity for local residents resulting from tourism growth are presented. Constraints preventing those from poor family backgrounds participating in the value chain are also discussed.

Roadside vendors, restaurant owners, workers, civil servants, village chiefs and local residents were key informants for this chapter. I also conducted in-depth interviews with roadside vendors, restaurant owners and with a pure water entrepreneur to gain insights into their businesses and livelihoods. I spoke informally with workers and waitresses to learn their perceptions toward their employment and remittance and with some roadside vendors in front of temple gates. To crosscheck what I was told, I made observations at some restaurants and roadside food stalls and near temple gates to monitor tourists' purchases and food preferences. The research question raised in this chapter is: *What are the opportunities for and constraints on local residents to be involved in the food and beverage value chain?*

### **10.2. Local residents' involvement in the food and beverage sector**

In recent years the food and beverage sector in the Siem Reap region has grown significantly in response to the increasing number of tourists. There are two categories in this value chain unit: restaurants and roadside vendors. According to the SRPDT, the number of registered licensed restaurants increased from 17 in 1999 to 174 in 2013. These figures exclude restaurants in hotels. Ninety- four of these restaurants were operated by Cambodians and 80 by foreigners. This sector employed 2,958 people (1,779 female) in 2013. According to an official respondent working for the SRPDT, the

average wage for staff working in this sector was approximately USD 100 / month in 2013. The monthly wages of restaurant managers ranged from USD 200 to USD 400, cooks and chefs from USD 80 to USD 250, waiters and waitresses from USD 30 to USD 70, cashier and service staff from USD 40 to USD 80, and cleaners and dishwashers from USD 35 to USD 40. According to restaurant owners, the amount paid to employees was based on workers' experience and number of hours worked. There is no basic minimum wage set by Cambodian law, although labour unions have often requested the government to enact such a law. Based on these figures, if the average salary of restaurant staff is USD 100, about USD 300,000 was disbursed in wages each month.

Besides restaurants, many self-employed roadside vendors sell a diverse range of foods, including traditional Cambodian, from bicycles, carts, stalls and tents. According to the SRPDP, the number of small-scale food outlets (selling noodles, drinks, fruit and other food items) was 250, employing 663 people (324 female) in 2011, but no information is available on the number of roadside vendors in the city. Based on my observations, there are many roadside vendors in the city, mainly working at night. A respondent selling fruit on the road to the Angkor complex told me that most roadside vendors are assisted by family members who are not paid, and the average daily net earnings of vendors are approximately USD 5. However, another respondent selling rice noodles in the city at night claimed that some roadside vendors can earn more, especially if they employ people from poor backgrounds for approximately USD 2 per day or USD 20-35 per month to help them.

Some roadside vendors have stalls with a few tables located in front of temple gates and in some main streets in the city, while others use mobile carts. They sell cooked food, soft drinks, coconut, palm sugar, palm juice, cane juice, a variety of fruit, including freshly cut, and Cambodian traditional foods such as fried banana, bamboo sticky rice, Khmer noodles, fish soup and snacks. Some of these operators live in the city, others are villagers in the Angkor Archeological Park, and the rest live on the periphery of the Angkor complex. One vendor informed me that most of her customers are domestic tourists. She said that "*foreigners rarely buy fresh or cooked food in our stalls due to sanitation, health and safety reasons. However, a few foreigners bought fruit, coconut juice, snacks and drinks*". The respondent working in the SRPDT stated that roadside vendors have about 3% market share in this value chain, whereas the remaining 97%

was held by restaurants. In terms of prices, meals in restaurants range from USD 5 to USD 15, whereas meals sold by roadside vendors range from USD 1 to USD 3, 1 kg of fruit from USD 1 to USD 3 and drinks from USD 1 to USD 2.

The above information indicates that villagers receive only a small proportion of tourist expenditure on food and beverages. This issue needs more attention from government agencies and tourism stakeholders, if they want this value chain unit to contribute to poverty reduction. I would argue that roadside vendors should be provided with training on food safety, food packaging and how to cook specific, traditional dishes to attract foreign tourists.

### **10.3. Food, beverage and tourism linkage opportunities**

Although villagers have no ability to run restaurants to gain high profits from tourists, some of them are roadside vendors, involved in the food and beverage tourism value chain. Those vendors can earn supplementary income, adding to what they earn from farm work or from other sources. While most of them complained about the current situation of their livelihoods and businesses, some agreed that the money they saved from their businesses and other sources in tourism-related employment by their family members has been used for house maintenance or to support their children's education. Although they have to work hard and spend more hours every day to run their businesses, what they earn can contribute to poverty reduction in their households. One roadside vendor told me that

*tourism has provided a variety of jobs to my family members. Although we earn only a little money, all of my family members have jobs to do. When we have jobs, we are busy and we have less time to spend our money. So, we save little by little every month, so our money grows. Ultimately, we can use it to build our house.*

The stories described below illustrate that tourism can contribute to poverty reduction if family members become involved in the tourism value chain.

Mrs. A's story is a positive story, showing that tourism development in the Siem Reap-Angkor region can alleviate poverty of certain households, if some family members can be involved in the tourism value chain. If household income is used to measure household poverty, Mrs. A's family income is higher than the poverty line (USD 1.25/day) set by UN-MDGs.

**Box 10.1: Bamboo sticky rice roadside vendor**

Mrs. A is a roadside vendor who sells bamboo sticky rice in front of Angkor Wat. She started her business in 2000. She wakes up at 4am, starts preparing ingredients and cooks bamboo sticky rice until 7am. She lives in a village near West Baray so it takes about one hour to travel by bicycle to Angkor Wat. She puts bamboo sticky rice in a basket on the back of her bicycle, using it as a stall to sell her product until 5pm. Her daily net income is between 16,000 and 20,000 Riel (USD 4-5). Like other roadside vendors, she claimed that 99% of her customers are Cambodians. She informed me that the situation of her business has worsened in the last five years and her income is lower, because more people are selling bamboo sticky rice and most domestic tourists spend less than they did before. However, Mrs. A perceives that tourism has helped her family escape poverty. She said:

*My family has a small plot of rice paddy and a small plot of residential land where I can grow vegetables. The rice yield we get each year can't feed my family members for the whole year. So, I use my daily earnings to buy food and support my youngest son's education, whereas my husband's income is kept for other purposes. My oldest son has a job and can support himself.*

Mrs. A's husband works in a sculpture workshop and earns USD 150/month. One of her sons, who works in a gasoline station, studies Tourism Management at university in evening class. He is paid USD 50/ month, but his employer sometimes provides him with an incentive; for example, when he bought a laptop computer which cost USD 600, his employer gave him USD 200 towards the computer. Another son who studies at high school helps Mrs. A cook bamboo sticky rice early in the mornings before he goes to school. She wants both of these boys to get jobs in the tourism industry. To make her dream come true, both of them are studying foreign languages. Mrs. A hopes that her living standard will improve, if her sons get tourism jobs.

The following case is a story of another roadside vendor who is satisfied with his success business and claimed that he can save some money during the peak season. His story indicates that human capital is a great asset that can bring success to villagers in their business. High school level of education, ability to use foreign languages and experiences he gained while working in hotels are all valuable assets that have enabled him to manage his business. Learning by doing, as he has done in his career is a good approach villagers could adopt if they cannot afford to attend university.

### **Box 10.2: Retail roadside vendors**

Mr. B and his wife are roadside vendors who use his mobile cart as a stall to sell a variety of goods, such as cigarettes, hats, drinks, cane juice and fruit to tourists. A few girls take some of his goods to sell to tourists on commission. Mr. B started his career as a hotel staff member after he graduated from high school in 1999. He gave up this job in 2011. He worked in four luxury hotels in Siem Reap. He started as an unskilled worker earning only USD 30/ month, until he was promoted to restaurant manager, earning USD 250/ month. Mr. B thought that his family's wellbeing and happiness would be lost if he continued to work in hotels, as working conditions and labour law violations by employers put much pressure on him. Ultimately, he was fed up with his job and decided to leave, instead helping his wife sell goods in front of Angkor Wat. With his support, his wife's business has flourished, because Mr. B can speak English and can use other foreign languages to communicate with foreign tourists, who make up the majority of his customers. Although Mr. B has never attended a tourism and hospitality school, 12 years' work experience in hotels enable him to run his business, deal with customers and people who help him. The couple's daily net earnings range from USD 10-15 in the low tourist season and USD 15-20 in the peak season. If he is lucky, he sometimes earns USD 30-50 per day. When asked why he gave up his hotel job, Mr. B replied that

*working in a hotel is easier because we are indoors with air conditioning, but we have limited freedom. We have to respect the timetables, regulations and disciplines set by hotel management. The salary is fixed. I saved nothing from 1999 to 2007. Being a roadside vendor is difficult because we always stand under the sunlight, but we have more freedom. If we want to stop selling, or have a rest when there are less customers, we can go back home. We have time to bring our children to school or back from school and my wife can go back home to cook lunch. We can help each other and have more time to stay together. When I worked for hotels, I left home early in the mornings and came back home late. I think family happiness is more important than other things. This is the reason I stopped working in hotels.*

Mr. B also claimed that some of the hotel staff from his commune, whom he helped find jobs, have also given up their jobs and migrated to Thailand because they get higher wages there than working in hotels. Mr. B's family live in Krabei Riel commune, but he rents accommodation in the town because the road to his village is not good. Other factors motivating his family to stay in the city are time-consuming travel and he needs to consider the high price of gasoline. He said that if he uses the money he would otherwise spend on gasoline to pay rent, it is sufficient. Based on his experience as a restaurant manager, Mr. B's dream is to become a restaurant owner. He said that when has more money he will run a restaurant, because he knows how to manage it.

Although it is a roadside business, which some people consider to be a micro enterprise, Mr. B's income is more than he could earn as a restaurant manager. His story also shows that the low wages he earned could not improve his living standard. This might encourage those who have worked for others to start their own small businesses.

#### **10.4. Success stories of female entrepreneurs in food and beverage value chain**

Tourism growth in Siem Reap gives women business opportunities in this value chain. This enables them to earn more income and improve their living standards. The following four cases are the stories of female entrepreneurs whose husbands are civil servants. These women have played a significant role in running family business. They become the earners of revenue in their families because they contribute a high proportion of household income.

##### **Box 10.3: Food stall at the Old Market**

Mrs. C, whose husband is a civil servant in Siem Reap, runs a food stall at the Old Market and employs 15 workers (12 female and 3 male) from poor family backgrounds to help her prepare food, serve customers and raise pigs. Food leftovers are fed to the pigs. Her workers received only USD40/ month, but they are provided with accommodation and food. This enables them to save money and send it to their families in rural villages.

Mrs. C claimed that about 98% of her customers are domestic tourists, tuk tuk drivers and other Cambodians who work for the market, sellers, security staff and other people nearby. Although only a small proportion of backpacker tourists are her customers, this food stall is going well, because Mrs. C has good connections with the market contractor who asks her to supply lunch to his workers and the owners of some guesthouses, who often recommend their clients to buy packaged food from her stall, if they visit the temples for a whole day. Mrs. C also informs her clients about guesthouses whose owners are her business partners. She said:

*I advise my staff to be friendly with customers, asking them where they stay, and recommend them to guesthouses I have good relationship with their owners. To make our business profitable, we have to support each other. Both parties get advantages from this cooperation.*

Mrs. C said that tourism gives her a business opportunity which enables her family to earn income to supplement her husband's salary from the government and to support her children to study at university. Although foreign tourists are not her potential customers, Mrs. C claimed that her family's living standard has improved significantly because of tourism growth in this province.

Although small business operators in Siem Reap cannot compete with big restaurant owners who have good connections with tour operators, Mrs. C's story is a good example which other small operators could adopt. Based on mutual benefit and mutual support, both business partners play a key role as advertising agents. Good cooperation between small business operators can bring success to their businesses because they cannot advertise their business on mass media.

**Box 10.4: A successful story of a young restaurant owner**

Mrs. D, who graduated from the Paul Dubrule Hotel and Tourism School in Siem Reap and worked for the school for a few years, started running a restaurant in the Old Market, the most popular tourist site in Siem Reap city. She rents a flat from her father who charges only half of the market rental price. She employs two cooks who graduated from the same school with her and two other staff to serve customers. She decorates this restaurant in the simple Khmer style with polished wooden floors, soft lighting, and laterite walls with art. This restaurant serves a great range of Western and Khmer dishes and along with professional service, this restaurant is a good place for customers.

While most local restaurant operators do not use the internet to advertise, because their customers are local residents and domestic tourists, Mrs. D, whose customers are foreign tourists, decided to use the internet to assist her business. She told me that when she started her business, most tourists who came to her restaurant were introduced by tourist guides, tuk tuk drivers and tour agents and she had to pay a commission. She said that *"If I don't cooperate with them, my business may fail. Therefore, I think that the Internet can help me to get potential customers without depending on others"*.

In addition, because the owner has good relationships with tour companies and the prices are inexpensive; her customers are not only the individual foreign tourists, but tourists on package tours. She told me that in the first year of business, she did not make a profit. But, from the second year, everything went well with her business and continues to profit. The net income she earns in the peak tourist season is between USD 1,200 to USD 1,500 a month and USD 700 to 1,200 in low tourist season. Because she has many customers, Mrs. D wants to expand her restaurant by renting a neighbouring flat, but the flat owner has demanded a high rent (USD 1,300/month), which she cannot afford. However, she is determined that one day she will expand her business or open another restaurant, if she can afford it.

A few factors have made Mrs. D's restaurant successful: human capital, promoting the business on the internet, networking with tour operators, reasonably priced and quality food, good service and pleasing decoration. As mentioned above, while most local restaurant operators do not use a website to advertise their business, because their customers are local residents and domestic tourists, this owner whose customers are foreign tourists decided to use ICT to assist her business. Other factors contributing to this success are the restaurant location and support from her father in terms of cheap rent. High rent of real estate has forced some restaurant operators to close their businesses.

**Box 10.5: Khmer restaurant**

A famous Khmer restaurant located downtown in Siem Reap is a family owned restaurant operating from one generation to the next. Mrs. E who inherited this restaurant from her parents runs this business with her siblings. She also employs 15 workers from poor family backgrounds to assist her. These workers are not given accommodation, but they are provided with breakfast, lunch and dinner. Their wages range from USD 70 to USD 100. Most of her customers are local residents, government officials from Phnom Penh, Cambodian-born foreigners and domestic tourists. Mrs. E said that

*Because I serve Khmer dishes, my target customers are Cambodians, not foreigners... It is impossible to attract rich tourists who stay in luxury hotels to taste Khmer food in my restaurant. This is why I don't care about them. We should use our strength to attract our potential customers and we should not dream about something we can't do, or something beyond our capacity because it makes us fail and we become discouraged... We should start with what we have to run our business. A big mistake made by a few unsuccessful restaurant owners I know is that they depend heavily on others to do this business in term of customers, operation and land rent.*

Different from other restaurant owners, who pay a commission to those who introduce tourists to their restaurants, quality food, well-known Khmer dishes and a good reputation enables Mrs. E to profit without depending on others to supply his customers. With the exception of workers' wages, this owner does not spend much on advertisements, rent, chefs or commission to others. Mrs. E recognises that the price of Khmer dishes in her restaurant is higher compared to other Cambodia restaurants in Siem Reap town, but this factor enables her to pay reasonable wages to workers.

Based on my interview with Mrs. E, I would argue that her restaurant's location and reputation in terms of food quality and service, human capital such as cooking and management skills and business independence contribute to business success. This restaurant owner uses the knowledge inherited from her parents to run her business and knows how to target customers. However, Mrs. E has missed a golden opportunity because she is reluctant to expand her business or diversify restaurant dishes to attract foreign tourists. Tourism growth in Siem Reap in recent years not only provides Mrs. E with an opportunity to promote Khmer dishes among foreign visitors, but also enables her to employ additional workers with reasonable wages, helping their families escape poverty.

**Box 10.6: Pure water enterprise**

A pure water private enterprise is owned by the family of an official working in Siem Reap town, employing 50 workers from poor family backgrounds who have migrated from surrounding districts in Siem Reap province. They are provided with accommodation and three meals a day. Workers' wages range from USD 40 to USD 60. The wages of drivers and team leaders range from USD 70 to USD 100. The owner's wife and her siblings are responsible for financial and business management. Due to his role as a government official, Mrs. F's husband has good connections with some hotel owners who are his potential customers, demanding this enterprise produce pure water bottle labeled with the hotel's logo and name. This enterprise also supplies their product to shops, restaurants and roadside vendors. Although Mrs. F also owns real estate, she still complained about high operating costs in terms of electricity and imported material such as plastic bottles and machinery. There is also competition from other pure water enterprises in this town, but Mrs. F is optimistic about her business because of her husband's networks with hoteliers. The enterprise has expanded and employs more workers in response to the increasing demand for pure water during the peak tourist season. She said:

*two key successes to my business are products and business partners. Compared to the owners of other pure water enterprises in this town, I have more potential business partners and regular customers than them. I can supply any kind of products ordered by hoteliers. Good relationships between us [entrepreneurs, hoteliers] ensure the supply chain of my enterprise.*

Good cooperation between suppliers and business partners is a key factor contributing to sustainability and success in business. This entrepreneur can produce specific products for business partners who require unique products for their hotels to ensure the supply chain. It is difficult to differentiate between relationships with businessmen, business cooperation and networking that does not represent a conflict of interest,

because the entrepreneur's husband is a government official. Tourism growth in Siem Reap provides this entrepreneur with a golden opportunity to run her family business and employ workers from poor family backgrounds. She claimed that these workers can send their savings to their families because they do not need to spend money on food and accommodation. This was confirmed by two female workers who used to be a housemaid and garment worker in Phnom Penh. One of these women added that she preferred working for Mrs. F because she can socialise with the other workers. She told me that

*although my wage here is lower than working as house maid I have more freedom because I can go somewhere after finishing work. I have to get permission from house owners if I want to go outside house. There is a difference working here, I felt like a prisoner when I worked as a housemaid.*

The former garment worker told me she spent most of her wage on accommodation and food when she worked in a garment factory in Phnom Penh, and that's why she decided to work in this workplace because she is now able to save some of her wages for her family.

### **10.5. Food, beverage and tourism linkage constraints**

Although some people are successful in their food and beverage businesses, many roadside vendors and restaurant owners relying on domestic tourists claimed their current businesses are not going well, compared to the last five years. A restaurant owner told me

*I get less profit than five years ago because people have not had much money to spend in recent years. From 2005 to 2008, the price of land was booming and those who sold land spent a lot of money on holidays and buying other products such as souvenirs, furniture and so on. My business was good during that period.*

Another restaurant owner told me that she also faced a challenge to run her business due to dependence on others to access customers. She told me that some local operators have to pay a commission to those who bring customers to restaurants, although doing so reduces their profit. She said that “*we need social networks with transportation operators, tour agents and tourist guides. Without this, it would be difficult for our business to survive*”. This claim was confirmed by a tourist guide who receives a commission from Cambodian restaurant owners and free meal each time he brings

tourists to their restaurants. However, this respondent added that although most Cambodian operators apply this strategy to attract customers, food quality, good service and friendly behaviour on the part of owners are the main factors that bring tourists to these restaurants.

According to a few respondents, while hotels have their own restaurants, most large restaurants outside hotels are operated by foreign investors, and most restaurants in the Old Market, the most popular tourist site in the city, are owned and operated by individual foreigners who employ only a few workers. Thus only a handful of locals own and operate restaurants that attract foreign tourists, whereas most locally owned restaurants are frequented by Cambodians. A Cambodian restaurant owner said that

*Chinese tourists like eating Chinese food...Koreans, Indian tourists like eating their food, Cambodians like eating Khmer food...Therefore, it is not easy to encourage foreign tourists to eat Khmer food. Although my restaurant serves a variety of foreign dishes, I still face challenges to get foreign customers.*

Although each nationality likes eating their own foods, foreign tourists never bring food to their holiday destination. Therefore, marketing strategies and advertising can play a key role in persuading foreign tourists to enjoy Khmer dishes. Some tourists, especially Europeans, like tasting local food if they are informed of quality and healthy ingredients. It is difficult to motivate foreign tourists to have meals outside their hotels. However, I would argue that if restaurant operators have an advertising strategy for targeting customers to raise their awareness about their special dishes, it could influence eating preferences. Moreover, although the abovementioned restaurant can provide a variety of food, it should have a signature dish that can attract customers. Famous restaurants usually specialise in signature dishes.

As for beverages and other soft drinks, local producers have no ability to manufacture them. While some beer companies built factories and extended their operations in Cambodia, most beverage products, such as wine and canned fruit juice, are imported. A former local beverage producer whose business failed mentioned constraints preventing local investors from running such businesses. According to him, three factors made his business fail: high operation costs, high interest rate of bank loan and lack of trust from customers. He said that

*although I spent less on workers' wages, other operation costs such as electricity, experts' salary, land rent, machinery and means of transportation are high. Packing materials and plastic bottles were purchased from Vietnam. I also got loan from bank, but high interest rate is a big challenge for me and other borrowers. Another challenge is customers' perspective. Both local customers and tourists like consuming imported products and it is difficult to change their attitudes to use new local products they don't trust.*

Regarding local communities living in the Angkor Archeological Park or on the periphery of the Angkor complex, the distance from their villages to the city is one of the constraints preventing young female villagers from accessing jobs in restaurants. Most restaurants serve customers until late at night and many women are afraid to travel to their villages unaccompanied after dark. One waitress said:

*I stopped working in that restaurant for security reasons. I can't go back home alone at night. If I rent a room in the city, all of my salary will be spent on the rent...nothing left. This discouraged me and I decided to give up this job.*

Low wages also encourage those who work in restaurants to leave their jobs and migrate to Thailand or Phnom Penh. Another respondent informed me that young people in her village decided to migrate to other countries because they can earn a lot of money. She claimed that mainly old people remain in her village. This claim was confirmed by Mr. B and a village chief who said that young villagers migrate to Thailand to find jobs.

## **10.6. Concluding remarks**

In conclusion, the tourism boom in Siem Reap has activated small and medium food and beverage businesses. However, while some local residents living downtown can benefit from tourism growth, only a small percentage of the local population with a poor family background, living on the periphery of Angkor complex, are employed in this value chain. This study found that the key factors for success in this value chain are: human capital, networking with tour agents and other operators and cooperation between business partners. There are some success stories in this value chain, for example, the Khmer restaurant described in Box 10.5. Although it does not cater to foreign tourists, it has provided work for 15 employees employed on decent wages according to Cambodian standards. One of the challenges in this value chain is to encourage outlets of this nature to expand their customer base to foreign tourists, thereby increasing their earnings and giving foreign tourists the opportunity to

experience genuine Khmer cuisine. If this happens, it will provide more job opportunities for the poor, as well as promoting Khmer food to outsiders.

Regarding constraints, similar to other tourism value chain units, lack of foreign language skills, lack of business skills such as management, finance, marketing, and information and communication technologies (ICT) and lack of hospitality skills are constraints preventing local residents from operating restaurants successfully. These constraints have limited the ability of local residents to access food and beverage business opportunities. Appropriate training is necessary for local residents who want to be involved in this value chain. Although tourism stakeholders, such as officials at the CMT, the president of the Cambodia Hotel Association, the president of the Cambodia Restaurant Association, and the director of a hospitality school agreed that a skilled workforce is needed to meet the demands of tourism growth (*The Cambodia Daily*, 2014) and this view has been repeatedly declared in public by government officials, but no action has been taken to address this issue. However, while most of these stakeholders concentrate exclusively on skilled workers, they seem to have forgotten about the low wages of those who work in tourism jobs. Low wages do not motivate young people to become involved in the tourism industry and further encourages them to migrate to other countries for work.

## CHAPTER 11: LOCAL COMMUNITY PARTICIPATION IN HANDICRAFTS AND SOUVENIRS VALUE CHAIN

*The more tourists come, the less income I earn... Some vendors stopped selling souvenir items because this business is unprofitable. They can't afford to pay monthly fee to market owner.*

Souvenir vendor in Siem Reap

### 11.1. Introduction

This chapter discusses the handicraft and souvenir value chain in the Siem Reap-Angkor region. Handicraft and tourism linkage opportunities and constraints in producing and selling handicraft products are explored. Some cases of handicraft producers, capacity building projects and silk production projects supporting the local community to become involved in the handicraft value chain are presented.

Handicraft producers, souvenir vendors, the leader of informal handicraft association, village chiefs, project staff and handicraft workers were the key informants for this chapter. I conducted in-depth interviews at their workshops, souvenir stalls and at the main temple gates where souvenir vendors wait for tourists to buy their products. I also engaged in many informal conversations with artisans employed in workshops about their working conditions, wages and overall views. The interviews were supplemented with observations at souvenir stalls at the main temple gates, at night markets and other markets in downtown Siem Reap, where I watched selling and buying activities as well as identifying imported handicraft products and other souvenir items. I observed artisans' activities, raw materials, and the nature and quality of handicraft products in handicraft workshops. I also consulted various media and websites to obtain information about handicraft production. The core research question raised here is: *What are the opportunities and constraints for handicraft producers to make and sell their products to tourism market?*

### 11.2. Local residents' involvement in handicrafts and souvenirs

In Siem Reap, many workshops produce handicraft products for souvenir shops, market stalls, hotels and restaurants. They are operated by NGOs, and by foreign and locally

owned private companies. The monthly salaries of staff in managerial positions in the workshops range from USD 200 to USD 500 per month. The average monthly wage of an experienced sculptor is approximately USD 150, with a less experienced sculptor earning about USD 60. There are also many handicraft and souvenir outlets (shops and stalls) managed by locals in the downtown area, especially in Phsa Kandal (Centre Market), Phsa Treycorn (Triangle Market), Phsa Chas (Old Market) and a few night markets in the city. Most stalls are managed by family members, while some shops offer jobs for employees from poor backgrounds, enabling them to earn monthly wages ranging from USD 30-50. According to the SRPDT (2012), there are approximately 6,400 local people involved in the handicraft and souvenir value chain.

Handicraft and souvenir production has become one of the main livelihoods and income source of some villagers living near the Angkor complex and those living in Krabei Riel commune. Self-employment in this value chain unit has developed quickly in villages where handicraft production is a traditional activity. Some villagers have their own workshops at home, producing souvenirs made from stone, wood, bamboo, palm leaves and trees, rattan, leather, copper and silk. Handicraft producers living in Norkor Thum produce drums, ox carts, birds, walking sticks, chopsticks, flutes and other palm products. While handicraft producers in Krabei Riel produce baskets and other rattan products, those who live in Chreav produce furniture and other wood products. Many villagers, young and old, poor and better off, including both sexes, are involved in this value chain unit. While men typically make the products, women and children sell them.

There are some roadside shops run by local residents situated in front of the main temples and along the roads to other tourist sites. Small souvenir/handicraft stands have sprung up at temple entrances and inside temple grounds. Local children are involved in selling these to tourists, mainly after school hours. Their somewhat aggressive marketing activity annoys many tourists, but souvenir vendors told me they have no alternative. One said, *“we cannot afford to buy a souvenir stall in the city from market owner because one would cost around USD 5,000 and we have to pay a monthly fee to market owner too”*. Downtown, there are many souvenir stalls in several night markets including Phsa Treycorn (Triangle Market), Phsa Kandal (Centre Market) and Phsa Chas (Old Market). Souvenir vendors have to pay between USD 5000 and USD 30,000 for starting a business and then have to pay a monthly fee between USD 150-300 to

market owners. According to souvenir vendors, the price of a stall for business start-ups varies from market to market and also depends on stall location. For example, souvenir vendors pay about USD 5,000-6,000 to night market owners, USD 5,000 to USD 7,000 to Centre Market owner, USD 15,000- 30,000 to Triangle Market owner, and about USD 10,000- 20,000 to Phsa Chas's contractor, who received concessions from the provincial government to manage the market.

There are stalls with thatched roofs in front of some temples; community leaders borrowed USD 1,000 from APSARA to build. However, vendors have stopped selling in these structures because tourists do not go to them. They are too far from the main temple entrances. Therefore, the owners of these stalls have become mobile souvenir vendors, gathering near the temple entrances, where they sell their goods. One of these vendors, who reflected the views of many others, said:

*If we don't stand here, most tourists don't go to our stalls. Vans, cars and tuk tuks are waiting for them here. When they leave this temple, they have to go to other temples. Moreover, these tourists are often encouraged by tour agents, guides, drivers [cars, vans] to buy souvenirs in the markets or big souvenir shops in the city on the pretext that they have more places to visit. They [tour agents, guides and drivers] want tourists to buy where they can receive commissions from shop owners.*

A 45-year-old respondent, Mrs. X, living in a village near the Ta Phrom temple, told me that three of her children, a daughter who gave up her studies and two sons who are still studying in Years 11 and 12 respectively, have sold souvenir goods in front of the gates to temples. She said that

*my sons started selling souvenirs when they were at primary school... Nowadays, they go to high school in the morning and sell souvenirs to tourists in the afternoon. They go to evening classes to study English and other courses, such as maths, physics and chemistry. What they earn from selling souvenirs can support their education because I don't need to give them the money to study. When they earned more, especially in the peak tourist season, they gave some [money] to me to save for them. With their savings, both of my sons are going to pursue their study at university if they graduate from high school. If their savings are not sufficient, I will support them. My daughter regretted that she gave up her study and admitted that it was a mistake. She encourages her brothers to learn as much as they can, because she doesn't want them to follow her ways.*

Some NGOs try to dissuade tourists from buying souvenirs from children in the Angkor Archaeological Park because this might encourage them to give up their study or affects their education.

Mrs. X gave a different perspective on this issue, arguing that her family cannot escape poverty without support from family members. She told me that the total income she and her husband earn is sufficient to buy food, but it is not enough to support their children's education and other purposes, such as house maintenance, or purchase of other basic goods. Most developed countries, such as Australia, support young children, the unemployed or low income families who face financial problems. In addition to providing a minimum level of financial security, these measures are designed to enable children and youth to focus on school, not work. However, although this could be a role model for governments of developing countries, I would argue that such support sometimes does not work well with young, lazy people because it might encourage them to become dependent on governments. Moreover, although child labour should be prevented, to avoid exploitation of children, the above case illustrates that this is a contested issue. After all, what happens to poor families whose incomes cannot support their family members or their children's education, if the government does not support those disadvantaged households? Should children be prevented from earning money to alleviate their family's poverty or support themselves, or should they be encouraged to work if their family has financial problems?

There are many campaigns organised by organisations and those who care about child rights to avoid children exploitation by organised groups or irresponsible parents. For example, Friends International has targeted generous people who will encounter this message during their holiday in tourist destinations.

### **THINK! Before Buying or Giving to Begging Children**

**When you travel you will encounter many children begging or selling goods on the streets**

**Many parents feel compelled to put their children on the streets to work because they are unable to earn an income themselves due to their lack of education or employable skills. UNICEF estimates there are over 200 Million such children worldwide. By buying products, giving money or food to begging children you are maintaining this unsafe daily life and preventing them from accessing school or training; you also prevent organizations from effectively helping them leave the street to access support. This keeps them locked in the poverty cycle.**

Another campaign called "Let adults earn and children learn!" was organised by Cambodia's UN volunteers and other volunteer groups to inform generous people and tourists about the issue. The aim of this campaign is to encourage tourists to "*think*

*twice*” before buying or giving money to children who are forced to sell handicrafts and books to tourists. Campaign informed tourists know that although children’s earnings go to their parents, some might be preyed on by illegal organised groups who always take advantage of children and other’s generosity. According to my interviews with local residents and village chiefs in Nokor Thum commune, the latter has not happened in their commune. However, a respondent told me that some beggars in downtown Siem Reap and Chong Kneas floating village have taken advantage of tourists’ generosity, suggesting that authorities should take action to address negative issue affecting the country’s reputation. I would agree that these campaigns are necessary to raise awareness, so that tourists have enough information to consider what they should or should not do during their holiday.

Generally, in the case of Cambodia, especially in the study area, some children from poor households have decided to abandon their studies to help their parents in their enterprises or to find other jobs. However, the above case shows that these high school students have worked hard for many years, not only to support themselves, but also to help reduce their parents’ burden. In addition to training them to become independent and responsible adults, their work helps their families escape poverty. As Mrs. X said:

*Because my sons can support themselves, what we [couple] earn is for house maintenance and for buying food or other goods for our family. I hope my children will have a good future because they know how to deal with their lives.*

Therefore, if tourists stop buying goods from them, it is difficult to judge whether this represents punishment or child labour prevention. A village chief suggested that a key factor motivating children to give up study in this study area is not their earning capacity from tourism, but the lack of a high school in this commune. He said that

*in the past, after finishing primary school, students have to go to the city, about 12 km from here. Lack of transportation and other difficulties encourage students, especially girls, to give up their studies. However, since having a junior high school here in 2011, most students continue their studies at this school. I don’t think the school drop-out rate of children is caused by their involvement in handicraft production or selling souvenirs. Most villagers want their children to have good education, and study foreign languages because they want them to get high paid jobs in tourism.*

Based on my observations, some children in the Nokor Thum commune help their parents in handicraft workshops. Although the income from sales of handicrafts is low, one respondent claimed this gives them more time to spend with family members,

relatives or friends. Some handicraft producers, especially young people, work together in a workshop, which enables them to strengthen their social capital or build relationships in their villages. One of them said that

*it is so boring if we work at our individual houses because we have no people to talk with. So we came here to do our work. We listen to radio, chit-chat and have fun while working in a group. If tourists want to buy a real Khmer product or cheap ones, they should come here. Unfortunately, they like buying in the market or souvenir shops.*

There are handicraft workshops in Rohal, Srah Srang Cheung and Kravan villages in Nokor Thom commune, to which tourists have easy access because they are located in the heart of the Angkor Archeological Park, a few hundred metres from the gates of four main temples (Ta Prohm, Banteay Kdei, Kutisvar, Kravan) and the ancient royal pond called Srah Srang. Community livelihoods and the way of community life of these villages are also tourism services that should be promoted by tourism stakeholders and government agencies such as APSARA. This would not only promote community handicraft products, enabling local artisans to sell their products directly to tourists, but could also reduce the pressure on these temples because the number of tourists has exceeded their carrying capacity. Although the main goal of tourists who travel to this area is to see the ancient temples, some of them also want to experience village life and observe local livelihoods, especially handicrafts and farming.

According to village chiefs and handicraft producers in this commune, some foreign tourists, especially Europeans, visited their workshops and villages each day. They are appreciative if government agencies and tour companies support villagers by promoting their villages as attractive tourist destinations so they can earn additional income. A leader of an informal handicraft association in Rohal village told me that the local community needs support from government agencies, tourism stakeholders and tour companies in terms of promotion, land concessions for workshop construction and community markets for handicraft products. He suggested that

*if government helps us to build community handicraft workshop and use it as local handicraft market to sell our products... and tour companies support us by bringing their clients to our place to see our production activities ... and buy the real Khmer products, villagers will earn more income from this traditional livelihood.*

One way to start this process could be to design a pro-poor community website and encourage tour companies and hotels to inform their clients about community handicraft

products. If local people can sell their products directly to tourists, this can alleviate their poverty. This is also one of seven indicators set by UNWTO to measure tourism's contribution to poverty reduction.

### **11.3. Handicrafts, souvenirs and tourism linkage opportunities**

A growing demand for souvenirs has brought new opportunities for handicraft production and promoted Khmer traditional art, which was abandoned during civil war and the political instability that followed in Cambodia. Tourism can play a significant role in maintaining minority ethnic crafts and increasing their significance (Sofield & Li, 1998). Ong and Smith (2014) found that the majority of respondents perceived that tourism increased the production and preservation of local arts and crafts. Mason (2003) indicated that beneficial cultural impacts of tourism consist of reviving local arts and revitalising local handicrafts.

Handicraft skills, including sculpting and other Khmer traditional art which had fallen into disuse, were revitalised because of tourism development. This trend encourages local craftspeople to teach their family members so they too can become involved in the handicraft business. Professional skilled people were invited by government agencies and NGOs to train young people and others interested in handicrafts or art to become artisans or sculptors. A 60-year-old craftsman living in Kravan village told me that "*Khmer traditional art and handicraft began a rebirthing process because of tourism*". As a result, there were increasing numbers of local people becoming involved in handicraft production and selling. The following cases describe their perceptions and involvement in the handicraft value chain.

Mr. G's story below shows that tourism can provide business opportunities for local farmers to earn extra income as well as contribute to family happiness. Although their income is low, family members can remain together to earn a living. Mr. G values family union higher than income. However, low incomes cannot improve the family's living standard, and this might also be a constraint preventing his son from learning foreign languages or accessing higher education so he can get a tourism-related job. Lack of family transportation and junior high school in this commune in the past forced the boy to suspend his studies. As confirmed by a village chief, the case of Mr. G and his son is similar to other children in this village who gave up their studies to support

**Box 11.1: Family union**

Mr. G, who is a subsistence farmer who lives in Rohal village, is also a handicraft producer. He produces small ox carts. His wife runs a small grocery stall at their home. With support from his 19-year-old son, who studies in Year 8, Mr. G's family can earn about USD 4 per day by selling his products to middle men. His son suspended his study a few years ago after finishing primary school because he could not afford go to school in the city. His desire is to study foreign languages because he wants to become a tourist guide. Unfortunately, there is no foreign language evening class in this commune. He re-enrolled when a junior high school opened in this commune in 2011. Mr. G said:

*Middle men come here to buy my products... My son helps me when he comes back from school. Although my income is lower compared to my neighbour working for the temple restoration project, I don't need to travel to other places to sell my products. We can't become rich with this income, but we can live happily in our village.*

families and/or become involved in handicraft production and sales. Inability to study the foreign languages necessary for becoming tourism employees, low prices of handicraft products and inability to sell handicraft products directly to target customers in this commune are critical problems that should be addressed by government agencies, especially APSARA, which is responsible for community development in this archaeological park. Foreign languages should be integrated in primary and high school curricula so that villagers' children can access tourism jobs in the future.

**Box 11.2: Supporting relatives**

Mr. H started his career as a handicraft producer in 1992. His wife sold their products in front of a temple gate but stopped selling in 2005 due to competition. Soon afterwards a microfinance institution enabled Mr. H to borrow USD 2,000 to operate his business because this couple have a handicraft workshop at their house in Kravan where he employs five relatives. Their products have been sold to middle men. Although he cannot make much from this business after spending 20 years at it; Mr. H is proud to have provided jobs to five of his relatives, each earning USD 100/month. He said:

*What I have earned is enough to pay wages to my nephews whom I don't want to migrate to other places to find jobs. In the past, my business was going well because many tourists liked buying our products and middle men also came here very often, asking us to produce more for them. So, I got some profit. But from 2005, my business has not been good. My product price is the same, but the prices of raw materials are increasing. I spend more on gasoline because there is no electricity in our village. This motivated me to borrow money from microfinance to maintain my business.*

The ability to provide jobs for his relatives is an economic contribution Mr. H is proud of. He has also formed a strong attachment to relatives through handicraft work. Enabling people to stay in their villages rather than having to migrate elsewhere to find employment helps to maintain community stability. However, although Mr. H has operated his handicraft workshop for more than two decades, obtaining a loan from a microfinance institution to operate his business indicates that he cannot earn more profit from selling handicraft products. Mr. H claimed he cannot save. He needs money to buy raw material. He decided to borrow from the microfinance institution because his income from selling handicraft products is only enough to pay the wages of his employees. The dilapidated state of his house and workshop supports his claim: that he is not generating much surplus. Although his village is only 3 kms from the APSARA headquarters or Siem Reap governor's office and offices of various provincial departments, it lacks electricity. Because of the high price of gasoline compared with electricity from the grid, the handicraft production costs are negatively affected. Local craftsmen might give up this traditional livelihood if their businesses are unprofitable. To overcome obstacles faced by the local community, government intervention is needed to ensure community handicraft businesses can survive. The local community's access to electricity would not only reduce the inequality of basic infrastructure access between those living in the city and those living in the Angkor Archeological Park, but would also accelerate handicraft businesses in this commune. To alleviate poverty, tax revenue could be used to invest in this basic infrastructure for this community, enabling its population to become involved in this value chain unit, thereby contributing to the government's development goal.

Tourism development in Siem Reap requires not only the revitalisation of Khmer traditional art and culture, but also training the young generation to be Khmer art conservationists. Khmer traditional art has been revived since the 1990s, associated with the tourism growth. This trend provides jobs and business opportunities for previously uneducated residents, especially women who are often stigmatised by working in some other types of tourism facilities. A 25-year-old female respondent living in Krabei Riel commune said that

*working in Khmer Angkor Art workshop as an artisan is better if compared to other jobs such as beer promoter, massage, nightclub, karaoke or restaurant waitress. No harassment, no discrimination and nobody looks down on me. Although I never get tips from customers*

*or tourists, my salary is reasonable. In Cambodian society, this job is suitable for girls if compared to the other jobs I mentioned. I am happy to work here because nobody puts pressure on me.*

**Box 11.3: Revitalisation of Khmer traditional art**

The Khmer Angkor Art workshop was created in 1999. It aims to generate profits from selling handicraft products as well as revitalising Khmer traditional art. The workshop employs five skilled craftsmen to teach those who aspire to become professional artisans. 120 trainees are from the local area and the rest come from other provinces in Cambodia. Since its establishment, 170 people, most of them women, have been trained to become artisans in this workshop. While 50 people are employed there today, some have been employed by other handicraft workshops and others have created their own workshops in their villages. Trainees earned USD 40/month for a 6 to 10 month training and probationary period. Artisan's monthly salaries in this workshop are higher than in other workshops, ranging from USD 150-300, based on their experience and the quality of the products they make. Customers sometimes provide raw materials for customised sculptures. According to the workshop owner, most of these customers are rich people, and include hoteliers, guesthouse owners, government officials and foreigners who are interested in Khmer art. Cambodian customers complain that his products are more expensive than others, but they still buy them or engage his services. Moreover, customers can order any style or copies of sculptures that appear on the walls of certain temples. Unsurprisingly, these products take a lot of time to make. Labour intensive production processes combined with reasonable wages result in expensive products. In the owner's words:

*I ask customers to observe my products and look at the work my sculptors are doing... It is real Khmer art... I always tell my artisans to sculpt carefully, [that I] don't care how much time it takes, because we don't want to lose Khmer art identity and sculptural originality inherited from our ancestors and sculpted on the temple walls. We are willing to conserve and revitalise Khmer traditional art and culture. If we do it carelessly, modify it, change it, falsify it to look nicer in order to attract customers, we will damage our Khmer traditional art and culture [heritage]. We avoid doing that... we want money, but we also have to conserve Khmer art and culture. Money can destroy Khmer art and culture, if we are greedy.*

In Cambodian society, although some women play an active role in economic activities, they are also responsible for raising children, caring for older people in their households and doing housework. In addition, Cambodian women are judged according to their behaviour and attitudes. They are expected to be gentle, to talk softly and be able to handle the family resources. Cambodian girls are supposed to stay home at night and be accompanied by a family member when going out at night. This culture discourages Cambodian women from taking jobs that require them to work at night. What the above

respondent said complies with social and ethical norms engraved in Cambodian culture. Therefore, handicraft jobs enable those women who want to maintain their traditional roles to do so.

The following case is a story of Japanese natural dye expert, Kikuo Morimoto, who became interested in woven Cambodian art. He dedicates his life to conserve this unique Khmer textile art, helps villagers to revitalise their traditional textile skills, and supports the poor by providing employment opportunities so that they can escape poverty. He saw the potential of the tourism boom in Siem Reap as a good opportunity to promote Khmer traditional handicraft as well as reduce poverty. With his silkworm farm and traditional methods utilised by silk producers, his work is well known in Siem Reap's tourism industry, which has attracted foreign tourists to visit his silk farm, enabling him to support his workers. Although only 250 workers were employed by IKTT, the case of Kikuo Morimoto indicates that the local population can gain economic benefits from tourism growth, if similar initiatives are undertaken to support poor villagers. This case shows that Cambodian tourism not only provides jobs for the local population, especially women, but also contributes to revitalisation of Khmer traditional textile production.

However, the Cambodian silk industry is seriously endangered. It might well become extinct if no measure is taken to rehabilitate it. According to mass media (*The Cambodia Daily*, *The Phnom Penh Post* and VOA) and interviews with key informants, while the demand of silk products has increased, local silk production has decreased sharply. Silk makers had given up their traditional livelihood because of unproductive yields and low income. The amount of cultivated land for mulberry cultivation also decreased sharply from about 6,000 hectares in the 1940s to just 40 hectares in 2012. Local raw silk thread supplies less than 1% of market demand and the rest is imported in 2012. If silk thread can be produced in Cambodia, it can create jobs for the locals and make a substantial saving from silk import costs. A government official admitted that 400 tonnes of silk was imported per year and he claimed that 25,000 rural people will be employed in silk production, if this amount is produced in Cambodia. Unfortunately, silk weavers have given up their traditional profession because they faced big challenges related to the increasing price of imported silk thread and the low price of their textile products.

**Box 11.4: Khmer traditional textile revitalisation**

Kikuo Morimoto is a founder of the Institute for Khmer Traditional Textile (IKTT). His determination and commitment to create IKTT came after he made a trip throughout Cambodia to investigate Khmer silk production in over 30 Cambodian villages. With support from UNESCO, impressed by his research, he started documenting Khmer silk production which had almost disappeared in Cambodia. His research aim is to learn about the Khmer traditional textile art of silk production.

A valuable finding encouraging this researcher to take urgent action. Cambodian silk weavers would give up their traditional profession as raw material prices were increasing and middle men took advantage of the silk weavers for their profits. Moreover, young people did not want to take up their family profession because of its low profitability. He was afraid that the silk weaving knowledge would die out with the elders and this unique handicraft skill, one of the important parts of Khmer cultural heritage, would soon become extinct. Therefore, he decided to establish IKTT in 1996 to preserve Khmer traditional art skills. He also bought farmland to plant mulberry trees for feeding silkworms and produced other raw materials for silk products.

During his field research, he found a few old women who still had silk production knowledge and the handicraft skills to produce Khmer traditional silk cloth. He invited those women to share their knowledge and processes involved in silk production. He tries his best to rebuild and conserve Khmer traditional silk producing techniques for the next generation. Inspired by these unique traditional skills, he has spent nearly two decades at IKTT reviving and preserving the Khmer silk handicraft. He supports villagers to grow and produce raw materials for silk production and sells silk products directly to customers. Kikuo Morimoto and villagers live and work on a 23-hectare farm located in the Angkor Thom district, about 10 kms from the Angkor Thom temple. Tourists are welcomed to explore silk production activities in IKTT's workshops and farm, where a guesthouse is offered for those who are interested in the natural environment and plan to stay longer in that village.

IKTT employs 250 workers; most of them are disadvantaged and disabled, and elderly women and others have descended from the Khmer silk makers. These employees are allowed to bring their children to the workplace because Kikuo Morimoto wants to create working environment in which female employees can build up the determination to produce good silk clothes as well as to look after their children. IKTT produces both woven silk and souvenir items from cotton and silk and has its own shop in Siem Reap town where tourists can buy real Khmer silk textile products.

Sources: IKTT website and *The Phnom Penh Post* (2013)

Historically, Cambodia enjoyed a good reputation with its unique golden silk, and silk weaving was part of Khmer culture for centuries. Sculptures of Khmer women wearing traditional silk, carved in the wall of many stone temples in the Angkor complex indicate the former glory of Khmer silk textiles. While silk products are very popular among both tourists and Cambodian citizens, urgent action should be taken so that Cambodia can produce silk thread to supply the tourism market. To meet the growing demand of silk products, financial and technical support from government and other stakeholders is required to build the capacity of local silk thread producers, weavers and mulberry farmers. Inability to produce and supply silk textiles and souvenir items locally to tourism markets creates economic leakage, because Cambodia has lost a great amount of money by importing silk thread and other souvenir products every year. If the RGC and other stakeholders do not pay more attention to the handicraft and silk industry, the opportunity to gain economic benefits from tourism will be lost, and the government's commitment to help local handicraft and souvenir producers to escape poverty may not be accomplished. Although it is a textile culture, revitalisation of this traditional profession will provide job opportunities for villagers and this in turn can help them escape poverty.

Although tourism can revitalise traditional craft industries, modification or careless work to produce sculptures, for example, can reduce their historic value. Increasing demand for handicraft products by tourists might damage genuine handicrafts because large quantities of product have been made quickly in response to market demand. Khmer art and culture can become endangered by competition from those who sell the products too cheaply. The Khmer Angkor Art workshop owner told me that when investigating handicraft products in the markets of Siem Reap to find out whether they are genuine, he noticed that some products (e.g. Apsaras statues, heads of Khmer emperors and other statues made in other provinces) differed from the originals. Moreover, Buddha statues made in China, Thailand and Vietnam are different from those in Cambodia, so some products copied or produced by other countries endanger Khmer art. Unfortunately, it would be difficult for most tourists to differentiate between locally produced and imported handicraft goods.

Taking into account the time and skills involved in producing genuine sculptures, handicraft products should be sold at a fair price, so professional artisans can earn

reasonable incomes from their skills. The financial benefits derived from traditional art and cultural careers will motivate artisans to preserve Khmer traditional art. Concern about the damage to Khmer art caused by the increasing demand for handicraft products has not been raised among policy makers, tourism stakeholders or by local mass media. Thus government agencies responsible for culture and art should take action to prevent further damage resulting from the handicraft business boom.

#### **11.4. A success handicraft training project**

The following case is a handicraft training project, initiated by the Cambodian Ministry of Education and French League for In-service Training and Education to revitalise Khmer culture and tradition. The success of this project is indicated by the employment of some trainees by Artisans d' Angkor and the establishment by other trainees of workshops in their home villages. The project achievements are that young disadvantaged people were given job opportunities in the tourism handicraft value chain. As a result, thousands of households living in rural villages, where someone has benefitted from artisan training projects, might escape poverty because of employment and business opportunities linked to handicraft production. A 60-year-old respondent who has worked for the Chantiers-Ecoles de Formation Professionnelle (CEFP) since 1992 said that

*although we have not conducted a study to evaluate the household economics of our trainees after leaving school, we believe that their living standards have improved because of this project. We were informed that some of them have their own businesses and workshops. Many of them are employed by Artisans d' Angkor and others are employed by NGOs or handicraft workshops. So, 90% of them have got jobs. Without this training, they might migrate to Thailand to find work there.*

Although most trained artisans face challenges to create their own workshops in their home villages, the employment opportunity in this value chain is also the first step in their journey to economic self-sufficiency. If they get support from stakeholders, such as government agencies, microfinance institutions, tour companies and tourist guides, in term of marketing, coordinating or providing loans with reasonable interest rates; those who have their own workshops or businesses may expand, produce more and thus employ more people. This can contribute to poverty reduction in this province.

### **Box 11.5: A successful handicraft vocational training project**

This project which was sponsored by Cambodian and European government started operating in the 1990s. In 1992, the Chantiers-Ecoles de Formation Professionnelle (CEFP), an organisation set up by the Ministry of Education, was created to train young disadvantaged people living in rural villages underserved by the Cambodian education system. They are trained in Khmer arts, including stone and wood carving, gilding, lacquering, ornamental sculpture, silk painting and silk making. One of the project objectives is to teach handicraft skills to young people, enabling them to work in their home villages.

Artisans d' Angkor was created in 1998 to provide a workplace for qualified artisans who had been trained by CEFP. Artisans d' Angkor became self-financing in 2001 and registered as a Cambodian mixed company in 2003. Half of the company's shares are privately owned, 30% by the RGC and 20% by an association called Artisan Khmer, whose members are artisans, working for this company. Artisans d' Angkor has 42 workshops in Siem Reap and had created 1,300 jobs for both artisans and others by 2012. This can help young rural people to find work in their home villages after learning handicraft skills from which they can earn a living.

### **11.5. Handicrafts, souvenirs and tourism linkage constraints**

Although this value chain unit has economic potential for local residents, especially those from poor backgrounds, only a small percentage of the handicraft and souvenir goods sold in Siem Reap are made in Siem Reap or elsewhere in Cambodia. A souvenir seller in the Central Market told me that about 80% of goods are imported from China, Thailand and Vietnam. This economic leakage limits the extent to which locals benefit from this sector. As a result, this potential pro-poor tourism opportunity is lost. A handicraft producer complained that

*many souvenirs and handicraft products are imported from Thailand, Vietnam and China. Middle men told me that those products are cheaper and better looking than mine. So, they asked me to reduce the price. If I don't decrease the price, they will stop buying my products. My business might not survive if they continue to import those products.*

This claim was confirmed by a few souvenir sellers in Siem Reap town who admitted that most souvenirs and handicraft products in their stalls are imported. One of these respondents told me that local producers cannot supply their products on time, if she needs more. Besides the difficulties of competing with imported products, lack of

financial capital to buy production tools and machinery, raw materials and transportation vehicles to deliver products to market are also key constraints, limiting the capacity of local artisans to expand their businesses. A handicraft workshop owner who wants to expand his business, but is reluctant to borrow money, said that

*I am afraid to borrow money from an informal money lender because of high interest rates. I have already calculated this payment. If I borrow from microfinance institutions, what I earn from my business is not enough to pay the interest. I was told that government and international donors spend a lot of money to reduce poverty. So, I request that the government support us. If the government and microfinance institutions really want to help us, they should provide us [with] a loan with low interest rates.*

Local handicraft producers cannot compete with outsiders because most of them do not know how to diversify their products. They produce only what they learned to make from their ancestors or in handicraft vocational training. Each village or household specialises in particular products and they do not want to diversify for reasons such as not wanting to compete among themselves, wasting time to learn to make new products and conserving certain family skills and products. For example, handicraft producers in Rohal village manufacture little ox carts, producers in Kravan village make chopsticks, walking sticks and wooden birds and in Krabei Riel craftspeople produce baskets and palm leaf products. An artisan living in Nokor Thum commune told me that

*we make different products. I know how to make drums and I don't want to learn how [to] make other products because I don't want to compete with other producers. I want to conserve my family's traditional product. It takes time if I learn to make other products... If we produce the same things, we are afraid that all products can't be sold in [the] market. If so, we don't have [the] money to buy raw materials.*

If local artisans cannot adopt innovation or have no ability to diversify, they cannot produce good quality products to meet the tourist demand. To study determinants of innovation in the handicraft sector of Tonga and Fiji, Naidu, Chand and Southgate (2014, p. 327) found that

value adding, design uniqueness, new product development, cultural uniqueness, using advanced technology, experience of owner, ability of owner to adapt to trends in market and quality of raw materials have significant impact on level of innovation in handicraft industry of Fiji and Tonga.

Lack of information about market needs is also a weakness of local artisans. They depend heavily on orders from middle men. They sometimes produce excessive amounts. Lack of connections with target customers also prevents local artisans from

selling their products. Low market prices, high production costs and increasing prices of raw materials make it difficult for local artisans to earn reasonable incomes and improve their livelihoods. A 50-year-old artisan complained that *“raw materials are becoming scarce because of rapid deforestation in this decade. So, the price of raw materials is increasing every day. We get less profit, compared to the past”*.

### **11.6. Concluding remarks**

Although making handicraft products in study villages can create jobs for some households and their family members, those local artisans still need help from tourism stakeholders and government agencies in bringing their products to the tourism market. With respect to sales channels, it appears that selling in front of temples, directly to tourists, offers good opportunities for the poorest residents to benefit from this value chain. In this context, it is important to reflect on how to deal with the issue of children selling. While most NGOs are highly critical of this type of child labour, urging tourists not to purchase from children, a more nuanced view is required. Children selling in front of temples and their parents I spoke with are aware of the importance of a good education and they want to use the income generated by this activity to fund their children's education. The sad reality is that some of these children cannot obtain a decent education without paying for it through their own labour. While the families could wait for the government to do something about their situation, they have taken the initiative to improve their livelihoods by allowing their children to work. The challenge is: how to enable families to earn sufficient income to fund their children's education without encouraging child labour.

Training on product diversification and design, promotion and marketing skills can help handicraft producers make a variety of products to attract customers and have channels for selling their products. There is a huge demand for handicrafts because of the booming tourism industry in Siem Reap, but the problems with production capacity, such as product diversification, conceptual and product design, improved quality and producing techniques, are what local artisans need to overcome. While the majority of souvenir products imported from neighbouring countries and China are being sold in Siem Reap, local artisans and other souvenir producers also need to overcome these obstacles so they can compete with the imported products. Different from workshops in

study villages, workshops operated by NGOs and private companies in which skilful artisans are employed have the capacity to produce quality handicraft products which they can sell directly to tourists, hoteliers for hotel decoration and export. This is because they have strategies for promotion and network with customers, enabling them to earn more profit from tourism growth in Siem Reap. Therefore, tourism can contribute to poverty reduction, if local handicraft producers can sell their products directly to tourists.

## CHAPTER 12: UNDERSTANDING TOURISM'S CONTRIBUTION TO POVERTY REDUCTION

*Villagers find it hard to access tourism jobs. If they get employed in hotels or restaurants with reasonable wages their families will escape poverty.*

Village chief in Krabei Riel commune

### 12.1. Introduction

This chapter discusses how and to what extent tourism growth in the Siem Reap-Angkor region contributes to poverty alleviation in local communities. This discussion draws on value chain analysis, socioeconomics, livelihoods and poverty of local people presented in Chapters 4 to 11. It also responds to the three research objectives outlined in Chapter 1. A framework for this discussion is developed based on the literature reviewed in Chapter 2. This framework consists of three categories: local people's employment in tourism enterprises and tourism-related employment; their ability to supply goods and services to tourists; and the benefits that local residents have received from tourism growth. Finally, this chapter demonstrates how tourism growth has or has not contributed to poverty reduction in three study communes. The research questions I raise in this chapter are: *Has the local community gained benefits from tourism? Has tourism growth in the Siem Reap-Angkor region alleviated the local community's poverty?*

### 12.2. Local residents' employment in tourism enterprises

Tourism is labour intensive; however, the number of jobs created is difficult to sum up, partly due to tourism's seasonality (UNWTO, 2006). The tourism industry creates new jobs annually (Bankole & Odularu, 2006). Job opportunities are created in services and other related sectors such as agriculture and manufacturing (UNCTAD, 2010). There is evidence to show that this sector provides employment opportunities for the local population. Local people have found work in a variety of tasks in tourism-related operations by supplying services such as catering, waiters, reception, management and administration, cleaning, entertainment, transport, sale of products, production of handicrafts and souvenir items, and sales of food and beverages (UNWTO, 2006). Mason (2003) claimed that beneficial contributions of tourism consist of job creation for locals, which enables local communities to earn additional income. Tourism and

tourism-related employment can improve household economy which can activate the local economy. Tourism is also a catalyst to alleviate poverty (Slocum & Backman, 2011). UNWTO, governments, tourism stakeholders and some scholars agree that tourism can play a significant role in poverty reduction, if local people can access tourism-related jobs. However, the mechanisms for job creation and government strategies to bring local residents to tourism employment require more commitment and determination from governments and tourism stakeholders.

In Cambodia, tourism is one of three leading sectors contributing to economic growth. The main goal of government is to develop tourism in sustainable ways to ensure tourism development can contribute to job creation and poverty reduction. Cambodian policy makers have also adopted tourism strategies to facilitate and support tourism-related development to ensure sustainable tourism development and benefit sharing in the form of new job creation, decreased migration and poverty reduction (CMT, 2012). However, some critics have claimed that those strategies have not been implemented effectively and that policies never leave the officials' desks. This criticism is supported by official employment figures compiled by SRPDT and SRPDP and informed by perceptions of local residents and other stakeholders, who often told me that the economic benefit from tourism growth has not contributed to or been shared equally among the local population.

In the case of the Siem Reap-Angkor region, especially in Siem Reap town, although the number of tourists has increased significantly, the number of local residents employed in hotels, guesthouses and restaurants has increased only slightly. Although the tourism industry can provide employment for the most vulnerable members of the labour force, such as women, unskilled workers, and poor rural citizens (Roe et al., 2004), this is not the case in the communes I have studied. Village chiefs and other key informants revealed that local residents faced many constraints in gaining access to tourism employment (see chapters 7 to 10). Only a few villagers were employed in tourism enterprises and other tourism-related businesses due to the low level of education and their lack of foreign languages. The majority of these employees live in Siem Reap city and they have migrated from other provinces. Comparing figures released by SRPDT and SRPDP, nearly 80% of the employees working in hotels, guesthouses and restaurants are outsiders. These men and women have migrated from

other parts of Cambodia, especially from Phnom Penh. All the high positions in management in hotels and tour companies are occupied by foreigners. This finding is consistent with Honey et al. (2010), who found that the majority of tourism jobs in Costa Rica were occupied by foreigners or by employees from other parts of the country. Similarly, Mbaiwa (2003) found that Botswanan people were employed in low-level jobs, with a few employed as professional guides. Hummel and van der Duim (2012) found that tourism advisers could not provide successful evidence in terms of numbers of jobs or increases in household income.

Moreover, although some authors claim that tourism employment is a key indicator to poverty reduction (Mitchell & Ashley, 2010; Snyman & Spenceley, 2012), others argue that employment alone cannot contribute to poverty reduction, because wages in tourism jobs occupied by the poor are low (Jamieson et al., 2004; Mowforth & Munt, 2003; Tao & Wall, 2009; Wattanakuljarus & Coxhead, 2008). In the case of Siem Reap city, with the exception of employment in tour companies, tourist guides and managerial positions in the tourism value chain, the average monthly wage ranges from USD 30 to USD 70. This amount cannot support anyone's education or buy sufficient food, especially if only one member of the family is an income earner.

Local residents in the study area, although some of them become employed, face big challenges due to the high price of goods and expensive living standards in the tourist destination. For those who are employed in tourism and tourism-related jobs, low wages cannot support their family, if other family members are unemployed or have no farmland to grow rice or raise livestock for family consumption. This study is consistent with a comparative study by Thomas (2013) that deals with Mali and Lao. Thomas found that the average wage of 60% of tourism employees in both countries was less than USD 2 per day. And he claimed that this income level cannot reduce poverty because most households depend on the income of a single person. As noted by UNCTAD, "the wage level determines the pro-poor impact of tourism; the higher it is, the more it can reduce poverty, as long as the poor have access to jobs" (UNCTAD, 2013, p. 12). Therefore, being employed alone cannot reduce poverty, if workers do not receive reasonable wages to lift them out of poverty.

Besides the low wage level, it needs to be stressed that labour law violations, poor working conditions and exploitation of workers have occurred in Siem Reap tourism value chains, especially in transportation and accommodation (see Chapters 7 and 8). These issues should be investigated in tourist destinations. In Siem Reap town, especially in the accommodation sector, for example, I found labour law violations, unionisation discrimination and exploitation of workers. Workers were suspended or sacked because of union activities or for joining unions. Some employers refused to provide service charges paid by tourists to workers and this put more pressure on them. Sacked workers were not allowed to be reinstated, even though court verdicts ordered hoteliers to do so. A culture of impunity continues to exist, whereby wrongdoers supported by powerful people can do what they want, ignoring court verdicts or orders from law enforcement officials. Although an official responsible for conflict resolution told me that his team had tried to make the hotel owners understand standard working laws and respect labour law, some employees stated that hoteliers still ignore these issues. Employment in tourism enterprises therefore may not be a key tool to alleviate poverty, if employees are the victims of law violations and exploitation.

Tourism development has allowed local residents and migrants to participate in the entertainment and service value chain and other tourism-related employment (see Chapter 9). For civil servants, teachers and those who have foreign language capacity, tourism growth has offered an additional job opportunity, such as tourist guides, enabling them to earn more income to improve their living standards. However, inhabitants of Nokor Thum and Krabei Riel communes cannot afford to study foreign languages because foreign language teachers are not available; this trend encourages young people living in the city to learn foreign languages so they can access these highly paid jobs. This is consistent with Honey et al. (2010) who found that tourism development has motivated local residents in Costa Rica to learn foreign languages.

A few local residents who can access jobs in tour companies can earn additional commissions from other operators in the accommodation and transportation tourism value chain. Young female migrants from poor backgrounds who could access service jobs in karaoke bars discotheques and massage parlors, for example, can save some money to send back home, enabling their families to lift themselves from poverty (see Chapter 9). These female employees often became main income earners in their families

as well as decision makers. This finding in the entertainment value chain is consistent with Ray et al. (2012) finding that tourism in West Bengal, India plays a key role in employment generation, empowerment of women, improvement of local people's living standards and poverty reduction, and offers job opportunities for females (UNCTAD, 2013). Croes (2014a) claimed that tourism jobs are better quality than jobs in other sectors, in terms of offering safer and more enjoyable working conditions. Moreover, while some local residents were employed in temple restoration projects, others have obtained jobs in tourism-related employment such as heritage police, temple and security guards and cleaners which enable them to earn additional money to supplement household income from activities such as handicrafts and farming. This finding is consistent with UNCTAD (2013, p. 12) which highlights that tourism development has created a "high proportion of employment", and provided "career opportunities for low- and semi-skilled workers", particularly for younger workers, female and the poor.

### **12.3. Local residents' capacity to supply goods and services to tourists**

Some scholars have suggested that in order to examine the contribution of tourism to poverty reduction, we need to understand tourism's capacity to create backward and forward linkages throughout the local economy, as well as the involvement of local residents in tourism value chains (Baggio, 2008; Sofield et al., 2004). Tourism can also provide opportunities for forward and backward linkages in local economies because of tourist requirements for products and services (Sharpley, 2002). Tourism's potential to form these linkages enables this sector to play a vital role in economic growth and business diversification (UNCTAD, 2010, 2013). It provides economic opportunities that influence other sectors including accommodation, transportation, food and beverages, souvenirs, entertainment infrastructure and communication (Sharpley, 2002; Spenceley, 2009). Tourism's potential effects on related sectors in local economies make this industry one of the most sustainable economic development alternatives (UNWTO, 2010a), and a key driver of poverty reduction and livelihood improvement (Clancy, 1999; Croes, 2014a; Croes & Vanegas, 2008; Hawkins & Mann, 2007; UNWTO, 2002a). Thus tourism offers business opportunities for host communities and represents a major source of income (Sica, 2005).

Tourism can often activate a local economy because of its capacity to diversify local livelihoods. According to UNWTO (2006), there are many economic activities involved in the tourism supply chain: the production and sale of handicrafts; local souvenir products or other materials; recreational activities; transport; and the construction or maintenance of tourism facilities. These enable local populations to gain economic benefits from tourism. Selected cases by UNWTO in the tourism supply chain in developing countries show that tourism enterprises impact on the local economy by selecting services or goods produced in the vicinity of tourist destinations. However, local producers cannot supply sufficient products to tourists and some tourism businesses found it difficult to find good quality local products which satisfy tourists (UNWTO, 2006). In the Siem Reap-Angkor region, tourism development has provided opportunities for local residents and migrants to supply services and goods to tourism enterprises. While some of these men and women can earn more income to improve their living standards or escape poverty, many cannot.

In the transportation value chain, people can earn reasonable incomes, enabling them to escape poverty. However, exploitation of tour boat operators and transportation service providers by those with market power has occurred in this study area and only a small percentage of local residents could gain access to the transportation business. According to the Siem Reap provincial police commissary, the number of registered tourist transport vehicles licensed to tourist transport operators was 9,442 in 2012, and the number of motorboats ferrying tourists in Chong Kneas and Kompong Pluk was 468 in 2012. However, based on SRPDP's figures, the percentages of transportation service providers in study communes (Nokor Thum, Chreav and Krabei Riel) were only 1.4, 1.3 and 0.7 in 2014 respectively. The number of local residents involved in the transportation value chain in these places was extremely low. This study found critical constraints (see Chapter 7) prevented these residents from participating in transportation services. Moreover, although some local residents who have other occupations, farmland, own their houses and seem satisfied with their additional income earned from ferrying tourists, migrants faced big challenges in terms of rent (vehicles and accommodation). Moreover, the seasonality of the tourism industry makes it more difficult for these transportation service providers who earn less income in the low tourist season.

This study also found that transportation service providers were exploited by those with market power and faced competition from electric and solar powered cars operated by private companies and APSARA. For instance, while tourist boat operators on the Tonle Sap Lake were controlled by a private company that had special rights to extract some proportion of earnings from these operators, some tuk tuk drivers volunteer to pay some money or work for guesthouse owners or hotel management, so they could access their clients. Those who were given the opportunity to ferry tourists organised by tour operators were paid lower than market rates and their payments were always delayed. These factors have put more pressure on these transportation service providers, resulting in reduced incomes, and limit the contribution of tourism to improve their living standards or alleviate household poverty.

Regarding agricultural products supply, the capacity of local farmers to supply products on a regular basis to hotels and restaurants is limited because they face many constraints (see Chapter 6). Agriculture is the main livelihood of local communities in the study areas, but lack of capacity to produce more and higher volumes of imported products are the main barriers, preventing them from gaining economic benefits from tourism growth. Moreover, although the RGC “*intends to transform the Siem Reap region into a green belt for agricultural production so that strong backward linkages of tourism with local agriculture could be established*” (Naron, 2012, p.62), according to village chiefs, leaders of informal farmer associations and local farmers, nothing has been done to encourage agricultural development. Farmers in these communes cannot produce sufficient products for tourist consumption. Besides quantity, quality is a factor which motivates luxury hotels and big restaurants to purchase imported products. The standard of local products often fails to meet the requirements of luxury hotels or restaurants. Local farmers have not been provided with training to grow particular agricultural products being used in hotels and restaurants. Moreover, while local farmers have little helpful market information, hotel management and restaurant owners have been negligent in supporting local producers as they focus mainly on how to increase their customer volume.

This study also found that lack of cooperation between local farmers and tourism entrepreneurs in promoting local products has reduced backward linkage in the local economy. Although local supply chains can provide advantages such as reduced

transportation cost, fresh produce, easier access to products, and authenticity, insufficient produce to meet the demand has led to economic leakage in the food value chain. This finding is consistent with: Scheyvens and Russell (2012) in their study in Fiji, where the largest luxury resort imported 99% of its food; Rogerson (2012b) in a study of luxury safari operators in South Africa; Trejos and Chiang (2009) in Costa Rica; Telfer and Wall (2000) in Indonesia; Belisle (1984) in Jamaica; and Anderson (2013) in Zanzibar, Tanzania.

Furthermore, it has been argued that tourism can promote agriculture development and agriculture–tourism linkages which may enable local farmers to earn more income (Linda et al., 1995; Shah et al., 2000; Sofield & Tamasese, 2011; Spenceley et al., 2009). For instance, Linda et al. (1995) claimed that tourism can promote agriculture in various ways; for example, the development of transportation infrastructure for tourists can also assist agricultural exports and tourist demands can also encourage agricultural production to diversify. Although there was evidence that indicated agriculture–tourism linkages in some tourism destinations (Sofield & Tamasese, 2011; Spenceley et al., 2009) and this linkage helps local farmers to benefit from tourist spending (Spenceley et al., 2009), this is not the case with local farmers in communes in this study. The findings of this study are inconsistent with the above studies, because farmers in my study area have not supplied their products to the tourism industry and some have even lost their farmland due to tourism development. This is consistent with Mbaiwa (2003) who found that tourism did not promote agriculture in the Ngamiland district, Botswana. While a leader of an informal farmers’ association told me that the increasing price of land in his village encourages some farmers to sell their land for tourism development; a village chief in Chreav commune said that some villagers have given up their traditional livelihoods and have taken up non-farming jobs. Most farmers living in the three study communes admitted they have not supplied their products to cater for the tourism market, because what they grow is only for family consumption and the surplus has been sold for local residents’ consumption. There are no large farms that produce meat, fish and vegetables for the tourist market in this study area. Local farmers cultivate small family farms. This study found that although some local farmers can supply some vegetables to small restaurants whose customers are domestic tourists, luxury hotels purchase imported products for foreign tourist consumption. One reason for

encouraging hotels to do so is that some vegetables grown in study communes are not familiar to foreign tourists. The dream of linking agriculture and tourism in these study areas has not been realised due to supply constraints (see Chapter 6). Agriculture–tourism linkages cannot be established if local farmers have no ability to produce more produce or do not even have enough food to support themselves (Holden, 2013; Pleumarom, 2012). Findings from these linkage constraints (see Chapter 6) indicated tourism has not promoted local agriculture and has the potential to destroy agriculture, if constraints faced by local farmers cannot be addressed in time. As a result, the contribution of tourism to poverty reduction in this study area would not be achievable.

Making handicraft products in selected study communes can create additional jobs for some households, enabling them to earn additional income and also revitalise Khmer traditional art. Mason (2003) argues that one of the beneficial cultural impacts of tourism is the revival of local arts and crafts. In Siem Reap town, 0.6% of the local population was involved in handicraft work as their primary occupation and 10.7% as their secondary occupation in 2014. In the Chreav commune, 5.6% (0.9% female) were involved in handicraft work as their primary occupation and 0.5% as their secondary occupation. In Krabei Riel commune, 2% (0.9% female) were involved in handicraft work as their primary occupation and 18.6 % as their secondary occupation. And in Nokor Thum commune, 4.2% (1.2% female) were involved in handicraft work as their primary occupation and 1.3% as their secondary occupation. However, those local handicraft producers still faced big challenges in bringing their products to the tourism market. There is a significant advantage for workshops operated by NGOs and private companies because they can sell products direct to tourists or other potential customers, whereas most villagers sold their products to middle men. A study by Vadakepat (2013) in Kerala state in India found that although tourism expansion has offered handicraft traders significant opportunities in rural retail business, local handicraft producers failed to reach foreign consumers because of limited resources.

In selected study communes, while some handicraft producers in Nokor Thum commune could sell their products directly to tourists or to other villagers who sold goods at main temple gates, producers in Chreav and Krabei Riel communes sold their products to souvenir stalls in several markets in the city. This research has found that although local residents have been involved in tourism informally, especially in

handicraft production and selling, most people in the communes lagged behind tourism and tourism-related businesses. Some local women and children in Nokor Thum commune however follow tourists to sell their souvenirs and handicraft items. This way of selling has annoyed many tourists and made them feel uncomfortable. Sellers admitted they understand tourists' behaviours, but the sellers felt they had no choice. A seller claimed that tourists will not buy her handicraft and souvenir items if she does not follow them around. In any case the income earned from selling handicrafts and souvenir items at the gates of main temples is low and uneven, compared to wages in tourism employment, but these sellers claimed they find it hard to become employed due to the abovementioned barriers. The involvement of school- age children in selling activity is a controversial issue. It has been argued that children should be sent to school and they should not participate in income earning or following tourists to sell goods like adults do, because this can affect their education. However, some villagers disagreed and argued that their children use their spare time away from school to earn money to support their education and reduce the burden on their parents (see Chapter 11). This finding is consistent with Truong (2014a) in Sipa of Vietnam, who found women and children always follow tourists to sell handicrafts.

Another challenge for local handicraft producers is the high volume of imported products for sale in the local market. This reduces the potential of local producers to gain economic benefits from tourism. According to handicraft and souvenir vendors, most of their products were imported, and local products cannot compete in terms of price and appearance (see Chapter 11). This trend has reduced the ability of local producers to gain benefits from tourism and has led to economic leakage in this value chain. This study is consistent with Naidu, Chand and Southgate's (2014) study in Fiji and Tonga where most handicraft products were imported to meet tourist demands. To ensure that local artisans are able to produce handicrafts for their livelihoods and gain benefits from tourism, the authors recommended that governments in these countries should "strengthen barriers on import of handicrafts" (Naidu et al., 2014, p. 327). In the case of Cambodia, especially in Siem Reap province, intervention from government is needed to support local artisans and address constraints faced by local handicraft producers (see Chapter 11) so they can supply the tourism market. Training on how to design and develop unique products, using advanced technology would help local

artisans to compete with imported products. If there were less imported products, local artisans would gain more benefit from tourism growth.

With respect to the capacity of local communities to establish and manage small enterprises; this study indicates that although some residents living in study communes could establish their family handicraft workshops and run food stalls, the majority are farmers and they depend on farming. They have no ability to establish or run small businesses due to lack of financial and human capital. Based on SRPDP's figures, the business trend in study communes has not improved significantly since tourism was developed in this region (see Chapter 5). According to handicraft workshop owners, their businesses are not profitable. Scarcity of raw materials, low prices for local products, a high volume of imported products and other constraints (see Chapter 11) discourage local artisans from expanding their businesses. While some local residents living in the city have the ability to run restaurants successfully (see Chapter 10), those who live in study communes do not. There are 15 restaurants in Nokor Thum commune, where some tourists relax over lunch after visiting the main temples in the Angkor complex. However, according to village chiefs and restaurant owners, only four are operated by locals and the rest belong to outsiders. Regarding accommodation, most hotels and guesthouses are concentrated downtown. There were six guesthouses in Chreav commune and one homestay in Nokor Thum commune. There was no homestay or guesthouse in Krabei Riel. Some local residents in Angkor complex would like to run homestay businesses because some tourists are willing to stay there, but legal restrictions are the critical barrier, preventing them from doing so.

This study has found that the majority of local residents were willing to participate in the tourism value chain, often as transportation service providers, tourist guides, guesthouse and homestay operators, and handicraft producers or to be employed in tourism jobs. However, there were many constraints (see Chapters 7, 8, 9, 10 and 11) that prevented them from being employed in the tourism industry. Lack of foreign languages, low levels of education and few, if any, tourism skills appear to be the main barriers to local people becoming employed in tour companies, tourism management and/or administration in hotels or becoming tourist guides. Insufficient financial capital and lack of human capital are two critical constraints to local residents who wish to be transportation service providers, homestay or guesthouse operators and handicraft

producers. High interest rates charged by informal money lenders, microfinance institutions and banks are also a critical obstacle that prevents local population from establishing small tourism businesses and tourism-related enterprises. This finding is consistent with a study by Suntikul et al. (2009) in Laos. These authors found that lack of knowledge, skills and capital prevent the poor from getting jobs, producing quality products to supply tourists, and establishing tourism-related businesses. Similarly, Truong et al. (2014) also found that the most critical constraints that prevent Vietnamese people in Sapa from participating in tourism were lack of foreign languages, professional knowledge, skills, funds and work experience. As suggested by Sawhill (2003) and United Nation (2010), people need to invest in education if they wish to escape poverty. Good education often results in better employment, better income and better health for household members (UNDP, 2013).

Therefore, based on these arguments and findings, I would argue that providing vocational training in tourism skills and foreign languages to young local people is needed, because this can help them access tourism employment, which is one of the key tools to alleviate poverty and improve their living standards. Education can help the poor escape the poverty trap. Scheyvens (2011) claimed that capacity building of the poor would help alleviate poverty. Moreover, if banks and microfinance institutions reduced their interest rates, it would provide the opportunity for local people to establish businesses.

#### **12.4. Do local residents benefit from tourism growth?**

It has been argued that local populations have benefited from tourism growth because the inflow of revenue to tourism destinations could have significant impact on local economies, increasing the participation of local residents in the tourism value chain and reducing poverty (Sinclair & Stabler, 1997). However, this study has found that although some local residents living downtown can run tourism businesses, people in each study commune cannot access tourism jobs (see Chapter 5). Mitchell and Ashley (2010) admitted that stakeholders who have more knowledge, skills, and financial resources can gain more economic benefits from tourism growth. Many local residents told me they are not the beneficiaries of tourism growth due to the high concentration of

tourism businesses in foreign hands or private companies and run by Cambodian elites (see Chapter 4). A retired civil servant said that

*our ancestors dragged the stone from the mountain to build all these temples in this cultural heritage area...as their heir; we should get benefits from this cultural heritage. Unfortunately, we got nothing...we have no opportunity to touch tourists' dollars. Outsiders collect most of money from tourists and they become rich...we are not the beneficiaries of tourism development.*

According to respondents involved in tourism, tourism businesses in Siem Reap are dominated by outsiders. They also claimed that a high proportion of tourism revenue was absorbed by private companies responsible for collecting temple entrance fees and by tour operators. Some foreign tour companies occupy businesses in tourism value chains in Siem Reap and collect a high proportion of expenditure by national tourists. As indicated by some authors (see below), tourism revenue flows out from tourism destinations when tourists use foreign tour companies, foreign airlines, stay in multinational hotel chains, and/or when tourism marketplaces are occupied by foreign suppliers (McLaren, 2003; Mowforth & Munt, 2003; Oriade & Evans, 2011). A large amount of tourism revenue tends to be absorbed by non-locals (Richardson, 2010; UNCTAD, 2013). A case study in Viengxay district, Lao PDR by Suntikul et al. (2009) found that the domination by Chinese immigrants and other non-local residents regarding tourism-related business increased economic leakages. This domination was the main obstacle to the distribution of tourism benefits to poor households.

In the case of Cambodia, especially Siem Reap, airlines, most tour operators and luxury hotel chains are operated by foreigners, elites and politicians. Scheyvens (2009) claims it is difficult to conclude whether or not tourism can alleviate poverty, because most tourism benefits seem to be captured by elites and foreigners. This study has found that agricultural products, wine and most foodstuffs were purchased from neighbouring countries. Scholars claimed that revenue from tourism has no impact on poverty reduction, because most of the money is spent on imported products or absorbed by foreign businesses (Blake et al., 2008) such as multinational companies (e.g. hotels and airlines) (Carbone, 2005). Sinclair (1998) claims that tourism revenue did not alleviate poverty and this was explained by considerable leakages caused by product imports, thereby reducing potential tourism benefits (Croes, 2014a). The finding in this study is consistent with Anderson (2013) who found that, in Tanzania, foreigners run airlines,

tour operators and hotel chains, and basic items such as food and beverages and furniture are imported. As a result, only a small portion of revenue remains in the local economy and only a small portion of tourist expenditure goes to the poor (UNCTAD, 2013).

Most respondents claimed that the main beneficiaries of tourism growth in Siem Reap are those who own private tour companies, hotels and restaurants. Local people, especially the poor, are unable to participate in tourism businesses and gain economic benefits from tourism due to insufficient financial capital, skills and professional knowledge. The high volume of imported products, inability to produce products to supply the tourism market, no national airlines and occupation of foreign tour companies in some tourism value chains have created economic leakage in this sector. One respondent told me that

*most local residents, especially the poor, have not benefited from tourism growth because nearly everything is occupied by foreign and local companies, elites, the rich and those who have connections with government officials.*

This finding reinforces the argument that tourism growth does not translate into poverty alleviation (Pleumarom, 2012; Scheyvens, 2007; Schilcher, 2007; Winters et al., 2013). Therefore, in the case of Siem Reap province, this study has found that although those who gain employment in tourism enterprises can receive economic benefits from tourism; private companies which have good connections with government officials, Cambodian elites and those with special privileges to manage state property are the real beneficiaries of tourism growth. Scheyvens (2009) claimed that most tourist expenditure seems to be captured by the rich, not by the poor. The poor who live in the communes in this study have not gained economic benefits from tourism growth because they cannot access tourism or tourism-related jobs.

One of the negative impacts of tourism is the increasing inequality of income distribution in tourism destinations. As identified by Wattanakuljarus and Coxhead (2008), as tourism does not have a high demand for unskilled workers, these people do not benefit and this leads to an increase in income inequality in tourist destinations, because this industry enables the rich to gain more benefits than the poor (Chok et al., 2007; Schilcher, 2007). This inequality has occurred in Siem Reap city, where the gap between the rich and the poor has widened because of tourism development (see Chapter 4). During focus group discussions, civil servants revealed that while some

people become rich, others become the victims of tourism development. They concluded that tourism development created inequality among local residents. A respondent who identified as a civil servant claimed that

*tourism development makes some former directors of provincial departments, officials in police and army and those who have good connections with powerful officials become millionaires. They have spent a lot of money to build hotels and buildings for rent, enabling them to earn more income from tourism growth.*

This finding is consistent with Gindling (2009) who found that in Costa Rica, although tourism contributed to economic growth, it also increased inequality. As in most tourist destinations, while rich people have more control over tourism and related businesses and outsiders dominate highly paid tourism jobs (Hall, 2007), opportunities for the poor to be involved in tourism are limited, preventing them from benefiting from tourism (Schilcher, 2007).

Scheyvens (2011) recommends that the poor should be assisted to secure their rights, gain more control over their lives and tourism activities in their village and share benefits equitably. However, local residents living in the Angkor Archaeological Park perceive they are the victims of tourism development, because they are not allowed to develop their real estate. For this reason, local residents claimed they are deprived of their rights. Conflicts between local residents and government agencies broke out after the RGC established laws and regulations to protect this cultural heritage site from uncontrolled development that would damage the site. Moreover, tourism development also put more pressure on civil servants working for provincial government. Government offices, public land and schools have been sold to investors for building tourism facilities and markets and civil servants have had to move to new offices outside the city. This trend has made some people very rich. As a result, tourism development has increased inequality of income distribution among the local population. According to Gindling (2009), although tourism contributed to economic growth in Costa Rica, it had no impact on poverty, but increased inequality. Scheyvens (2011) argued that tourism seems to deepen inequalities rather than alleviating poverty and this author also pointed to leakages.

This study has found that many local residents were not happy with tourism revenue sharing. I was told that money collected from the sales of entrance tickets for tourists to visit ancient temples and other tourist sites in this province was subject to leakages and corruption. Some respondents claimed there was no transparency in entrance fee collection and they suggested that this income should be disclosed to the public to avoid corruption. They requested that money from ticket sales should be used for local development and building basic infrastructure such as roads, running water and electricity supply, to support schools and hospitals for the benefit of the local population. It appears that money from ticket sales has primarily benefited companies awarded contracts or licences by the government to collect fees from tourists. Some respondents expressed the view that nothing has improved in their villages (see chapter 5), although government officials often commented that tourism revenue has been contributed fairly among the local population.

In some tourism destinations, the local population often benefits from taxes or charges on tourists or enterprises, which are usually used to develop basic infrastructure to meet tourist demand. Tourism development can contribute to infrastructure improvements and development, which plays a key role in poverty reduction in tourist destinations. Scholars claim that tourism can maximise socioeconomic benefits for local communities in terms of capacity building, better levels of health care and education, better access to services and basic infrastructure improvements such as roads, clean water supply and transportation (Akama & Kieti, 2007; Carbone, 2005; Mbaiwa, 2003; Mowforth & Munt, 2003; Muganda et al., 2010; Ray et al., 2012). For instance, Mbaiwa (2003) found that tourism improved infrastructure in Ngamiland district, Botswana.

However, this is not the case in communes in my study. Based on my observations, interviews with other key informants and SRPDP figures, education and health in study communes have not improved noticeably. Some children in study communes gave up their study because there was no high school and lack of transportation (see Chapter 5). Most local residents could not access vocational training in tourism and agriculture to qualify them for better paid tourism jobs and to produce particular products for supplying the tourist market. This finding is inconsistent with Honey et al. (2010) who claimed that tourism often provides skilled training and education to local people so they can become employed in high paying jobs.

Regarding basic infrastructure, although the condition of the main road in Nokor Thum commune, located in Angkor Archaeological Park, has been improved, road conditions in the other two communes have not. Only main roads into the city are frequently maintained, while many other roads are in poor condition. Although some men and women who live in the city can access running water, those living in study communes cannot. While most local residents in Chreav and Krabei Riel communes can access electricity, half of the population living in Nokor Thum commune cannot. Electricity suppliers only provide two to three hours per day and users were charged high prices. This finding is also inconsistent with Muganda et al. (2010) who claimed that the local Tanzanian community gains some benefits from tourism in terms of infrastructure development and improvements.

Although there is no evidence to show that tax revenue from tourism has been used to improve education and health sectors in the study area, some responsible tourists have voluntarily donated funds or blood to two hospitals operated by charity foundations (see Chapter 5). These hospitals play a significant role in treating local residents, especially the poor, in Siem Reap and others living in neighbouring provinces. Although the tourists' donations are not expected to be sufficient for hospital operation, the dissemination of charity information and founders' work by tourists to their colleagues, friends and relatives would attract more attention from the public or donations from other sources. Moreover, some generous tourists have also donated funds to build wells and toilets for the poor in the Siem Reap-Angkor region. Although some hotels and restaurant owners and tour operators claimed they voluntarily support poor households in terms of capacity building and livelihood improvement, local residents in study communes have to date not received this support. Although donations from tourists and tourism enterprises could be used to support the poor or contribute to poverty relief, donating funds is not the best solution to addressing poverty. If tax and tourism revenue are used to develop basic infrastructure, promote education and health sectors and provide vocational training to local residents so they can access highly paid tourism jobs, the government goal to use tourism as a tool to alleviate poverty will be achievable.

## **12.5. Does tourism growth alleviate poverty in study communes?**

Numerous developing countries, including Cambodia, have promoted tourism and included this sector in their poverty alleviation strategies (Carbone, 2005; Croes, 2014a; Mitchell & Ashley, 2010; Novelli & Hellwig, 2011; Scheyvens, 2011; Telfer & Wall, 2000). However, in the case of Cambodia, especially in study communes, this strategy has not been implemented effectively. Some scholars have claimed that, in developing countries, interest in tourism has mostly concentrated on increasing foreign exchange earnings and tax revenue, employment growth, and the preservation of natural and cultural resources, with less focus on poverty (Goodwin, 2006; Holland et al., 2003; Saville, 2001). In Cambodia, one of the main objectives of the government's tourism strategy is to attract international tourists to Cambodia, so that tourism can create more jobs for the local population and in turn contribute to poverty reduction (CMT, 2012). Government officials are proud of tourism growth over recent years. However, they have paid less attention to how tourism revenue has contributed to the local population, although they admitted there is economic leakage in this sector.

As noted by a village chief in Nokor Thum commune, although the number of tourists has grown rapidly in recent years, villagers' livelihoods have not improved. So far there has been no mechanism for job creation for the poor living in the Angkor Archaeological Park and on the periphery of the Angkor complex. Villagers in this commune could not access tourism jobs and businesses which might enable them to earn additional income (see Chapter 5). Village chiefs claimed that nothing has changed in their villages in terms of employment, business diversification, livelihood improvement and socioeconomic development. Only a few people can access tourism and tourism-related jobs and they earn little money from these jobs. This is consistent with Saayman et al. (2012) who found that poor households in South Africa benefit very little from tourism income.

Although some scholars present evidence that tourism growth has reduced poverty, others reveal cases showing the potential of tourism to reduce poverty is limited (see Chapter 2). Proponents claim that tourism can activate other economic sectors and contributes to poverty reduction and some scholars have claimed that tourism can alleviate poverty, if managed properly. However, sceptics argue that tourism might not

reduce poverty because the poor cannot access tourism jobs that require a reasonable level of education, foreign language skills and other skills. They also cannot run tourism businesses or supply goods to the tourism market because they lack financial capital and other resources. High economic leakage due to foreign ownership and imported products also reduce the ability for tourism to alleviate poverty. Therefore, it appears that tourism's contribution to poverty reduction is highly questionable.

In this study, to evaluate how tourism contributes to poverty alleviation in study communes, concepts and definitions of poverty adopted by organisations, such as ADB, UNESCAP, the UN, the World Bank and some scholars (Blank, 2003; Hulme & Shepherd, 2003; Raphael, 2013; Sachs, 2005; Sen, 2001), were used as a framework for this evaluation. Aspects of poverty: “poverty of money”, “poverty of access” and “poverty of power” (UNESCAP, 2005), deprivation of opportunities and assets (ADB, 1999), capacity deprivation ((Hulme & Shepherd, 2003; Sen, 2001), deprivation in wellbeing (World Bank, 2001) and lack of access to basic amenities (Sachs, 2005) are the foundation for this discussion.

This study found that most villagers living in the three study communes, especially the poor, could not gain economic benefits in terms of tourism employment, tourism businesses, and direct sales of agricultural products to hotels and restaurants. Their ability to supply goods and services to tourists is also problematic. Official figures for business and commerce activities, production workshops, occupations and employment of local residents compiled by SRPDP (see Chapter 5) indicates that the rapid growth of tourism has no impact on local residents' livelihoods. Farming and handicrafts, which are their main traditional livelihoods, are not improved significantly. Although the majority of the local population is farmers, what they produce is mostly for their consumption. They cannot supply to the tourist market because of the barriers presented in Chapter 6.

Local handicraft producers also face big challenges because their products cannot compete with imported ones. There were only a few villagers in these study communes who were employed as security guards, cleaners, waiters or waitresses and all received low wages. They cannot access highly paid jobs such as tourist guides in tour companies or management positions in hotels or other tourism employment. Most local

residents also have no capacity to run tourism businesses or other tourism-related enterprises although these study communes are located in Siem Reap town. Ultimately, local residents, especially the poor, cannot escape from “poverty of money” due to their inability to gain economic benefits from tourism.

Regarding “poverty of access”, although most local residents can access electricity, none of them can access running water. High electricity prices charged by private power suppliers in Norkor Thum commune have put more pressure on villagers. Handicraft producers decided to use their own generators for production and this increased their operation costs. Richardson (2010) claimed that tourism can contribute to poverty reduction because it can provide indirect benefits for the poor in terms of increased market access for rural areas through the development of basic infrastructure such as roads and clean water supply. However, this is not the case for the communes in this study. Villagers claimed that infrastructure has not been developed or improved in their villages. Apart from the main roads connected to temples, most roads have not improved in the communes and some local residents have contributed funds to maintain road conditions in front of their houses. A local resident complained to me that “*we have to pay three times. We pay tax when we buy motorbike, we pay annual road tax when we drive motorbike on road, and we also pay contribution funds for road maintenance too*”. He raised questions about where tax and the money collected from selling entrance tickets goes and how these funds have been used.

Regarding health care, although there is a public hospital and health centres in Siem Reap town, villagers do not want to go there because of insufficient medicine and unsatisfactory services. Most local residents depend on two hospitals founded respectively by a Japanese photographer and Swiss doctor. These hospitals, operated by charity and volunteer groups and some tourists, have donated their funds to support them (see Chapter 5).

Education in study communes is problematic. Villagers also have a big challenge when their children finish middle school, because there is no high school and some students drop out of school because they cannot afford to travel to the city. Inability to access foreign language classes and low education levels has prevented local residents from gaining employment in the tourism sector. According to village chiefs, only a small

percentage of people in the three study communes could access high school, vocational training and higher education. Sachs (2005) claims that poverty occurs when people cannot meet the basic needs for their daily living, such as safe drinking water and health care, and cannot afford education for their family members.

This study found that although tourism has developed for two decades in Siem Reap, poor households in the study commune have not escaped from poverty because they cannot access running water and good health care, and their family members cannot access high school education. Poverty does exist because of the deprivation of capabilities such as health and education or lack of opportunities in these fields (Hulme & Shepherd, 2003; United Nation, 2010). These capabilities contribute significantly to household economics and income improvement (Hulme & Shepherd, 2003). Ultimately, although tourism development could activate the local economy, instead it enables elites and the rich to earn more. Thus tourism has not contributed significantly to socioeconomics and poverty of local communities living in these study communes. Poor people are thus typically disadvantaged or excluded from what tourism can and should provide (Scheyvens, 2011).

According to village chiefs, local residents have not been consulted about tourism development by Angkor Archaeological Park management and conservation. Local authorities, such as village and commune chiefs in the Siem Reap-Angkor region, have never been invited to participate in tourism planning, make decision about how entrance fees should be used for local development, or discuss what should be done to support villagers so they too can gain economic benefits from tourism growth. In contrast, villagers who live in the protected areas are not allowed to build new houses or develop their land for tourism. This measure is to protect this area from uncontrolled development, which can damage historic and cultural heritage of the protected area. However, local residents perceived that their rights are deprived and are of the view that they have become the victims of tourism development (see Chapter 4). Conflicts between local residents and APSARA frequently occurred when laws and regulations were enforced. Some villagers told me that while some powerful people and those who have connections with the authority can do something in secret on their land, without punishment from the authority, the villagers cannot even build a shed or chicken coop. Lack of participation in the democratic process (United Nation, 2010), and deprivation

of opportunities and essential assets (ADB, 1999; Freeman, 1998) are considered the “poverty of power” by UNESCAP (2005).

Neither alleviating poverty nor contributing to socioeconomic development in study communes, clearly tourism development has not helped villagers escape poverty and the poor are not the beneficiaries of tourism growth. Based on poverty figures compiled by CMP (2014), the percentage of poor households in Nokor Thum, Krabei Riel and Chreav communes was 51%, 33.40% and 21.10% respectively. Scheyvens and Russell (2012) found that poverty in Fiji increased although the number of tourists had grown. This finding is consistent with Gindling (2009) who argued that tourism growth had no impact on poverty in Costa Rica, but it is inconsistent with Lapeyre (2011) who claimed that tourism development contributed not only to poverty alleviation and natural resource protection, but also to capacity building and empowerment of the local community in Namibia.

As noted by Dwyer and Thomas (2012), tourism can have positive impacts on poverty reduction in a destination, and tourism growth is expected to increase household incomes by generating jobs for the poor. However, this is not the case in the Siem Reap-Angkor region. Although tourism has been developing for more than 20 years, 51% of poor households are living in the Angkor complex. This figure strongly suggests that tourism is not a power tool to reduce poverty in this area. Surprisingly, the percentage of poor households living near the main temple gates is very high, compared to other villages and Siem Reap town. For instance, according to CMP (2014a), although the average percentage of poor households in Siem Reap province was only 24.5%, the percentage of poor households in the three villages (Rohal, Kravan and Srah Srang Tbound) located in front of three main popular temples (Ta Prum, Kravan and Banteydrey) was 65.5%, 54.5% and 50% respectively. These figures show that tourism growth has no impact on villagers’ poverty. And those who live in this popular tourist destination are poorer than other parts of Siem Reap province. One of the village chiefs in Nokor Thum commune expressed his feelings and the dream:

*Villagers and I stand here every day to watch foreign tourists visit temples and we observe the activities of people who serve tourists. We dream that our villages would be developed by tourism development ... living standards and wellbeing of villagers would be improved by tourism growth. However, everything is still the same as it was 20 years ago and our dream has never come true. We don't blame others, we blame ourselves ... we don't know how to*

*... speak foreign languages and we can't access tourism jobs. We have no money. We have no skills and capacity to run tourism businesses that enable us earn income from tourists. We want our children to study more ... to learn foreign languages so that they can get high paid jobs in tourism. Unfortunately, there is no high school in our village, and no teachers who can teach foreign languages there. Only a few villagers' children have the ability to study in the city, but most of them can't afford it. So, our hope will not materialise and the destiny of our children might be like ours.*

## **12.6. Concluding remarks**

Although tourism is considered as a tool for local economic growth, this study found that tourism growth in Siem Reap-Angkor has not contributed significantly to livelihood diversification and poverty of villagers. Tourism development has activated the local economy in this destination, but local residents in study communes have no ability to absorb these economic and non-economic benefits from tourism growth. Some barriers such as insufficient financial resources, lack of tourism professional skills and knowledge, low level of education and lack of foreign languages restrict local residents, especially the poor, from being involved in tourism businesses and employment opportunities in this sector.

Local farmers and handicraft producers can supply only a small proportion of their products to the tourism market because of some critical constraints. Local producers that lack the capacity to supply products to the tourism market have opened the door for imported products flowing to this destination. As a result, a significant amount of tourism revenue has flowed out of Siem Reap province, providing less benefit to the local residents in the study area. This economic leakage reduces tourism capacity to alleviate poverty or improve living standards and wellbeing of the local population. Consistent with findings from other destinations in developing countries, this study found that economic leakage was caused by three main factors: foreign ownership of some businesses in the tourism value chain (e.g. airlines, hotel chains and tour companies), excessive imported products (e.g. agricultural products and beverages, handicraft and souvenir items), and employment of foreign staff by their national tour companies.

Regarding transportation service providers, exploitation by those with market power (e.g. tour companies, hotel owners and management, private companies with government contracts and competition from other transportation companies) have put

more pressure on these transportation service providers, which has led to reductions in income. Moreover, although some local residents and migrants have been employed in the accommodation value chain, low wage levels, labour law violation, poor working conditions and exploitation of workers by employers and hotel management have reduced the potential of tourism to alleviate poverty for those employees.

Local communities perceived that tourism does not contribute to socioeconomic development (e.g. basic infrastructure, school and health centres) and everything has stayed the same in their communes since tourism development began in the early 1990s. Tourism growth has less impact on their livelihoods, household economy and poverty. Although it is not easy to conclude whether or not tourism can reduce poverty, this study found that a large proportion of tourists' expenditure has been captured by foreigners and Cambodian elites, not local residents and the poor. Tourism revenue has flown out of Siem Reap-Angkor region because huge amounts of product have been imported to meet the tourists' demand. With respect to the relationship between tourism growth and poverty reduction, this research found that although the number of tourists has increased rapidly over recent years, the percentage of poor households in study communes has dropped slightly. The percentage of poor households in most villages in the Angkor Archaeological Park was higher than other villages in this province, which shows that tourism growth has not contributed to poverty reduction in study communes.

## CHAPTER 13: CONCLUSION

*We [villagers] are not the beneficiaries, but the victims of tourism development. Poverty and unemployment are common in our village. Tourism growth has no impact on our livelihoods and living standards.*

A village chief in the Angkor Archeological Park

### 13.1 Introduction

This chapter draws conclusions from the findings of previous chapters. It summarises the main findings, presents the significance and contribution of this study to tourism and poverty reduction literature, points to the limitations of this study and suggests further studies to substantiate its findings. Finally, it concludes whether or not tourism growth in Siem Reap contributes to poverty reduction in study communes.

### 13.2 Summary of findings in the tourism value chain

Cambodian tourism has grown significantly in recent years. This growth has provided jobs and business opportunities for the local population and foreign companies. In Siem Reap, the tourism boom has been a catalyst to activate the local economy. While some local residents can afford to diversify their livelihoods, or create tourism and related businesses, others have obtained employment in tourism value chains. This has enabled them to improve their living standards and household economy. Some locals have had golden opportunities to establish tourism businesses and a few, with contracts from government to collect entrance fees at tourist sites, are clear beneficiaries of tourism growth.

The rapid growth of tourism has offered locals and migrants jobs and business opportunities in local transportation services. However, there are some constraints, as discussed in Chapter 7, which prevent many locals from participating in this value chain. The constraints include exploitation by those with market power on transportation providers, and competition from electric and solar powered cars provided in joint ventures between private companies or APSARA. These constraints have seriously affected drivers, and have led to reduce incomes.

This study found that due to their dependence on tour agents, hotels and guesthouses, airports, bus station operators and private companies to access their clients,

transportation service providers are exploited by those with market power. To attain the government objective of using tourism industry as a poverty alleviation tool, the transport sector needs a complete overhaul, including a mix of trade practices regulations and mechanisms to address the way in which hotels, private companies and others exploit tour transportation operators. Government can play a key role in instituting and applying trade practices regulations to ensure that all drivers can access their clients. Intervention from relevant government agencies to support small transportation operators is needed so that tourism income can be distributed fairly. With such support, tourism revenue might be shared more equally among transportation service providers.

In the accommodation sector, foreign hotel chains and rich Cambodian hoteliers benefit financially from the tourism boom. However, many local guesthouse and hotel owners who borrowed heavily from banks or microfinance institutions to run their businesses now face critical problems due to high interest rates and potential competitors. Having no connection with foreign tour companies and other business partners from tourist origin countries prevents these smaller scale accommodation operators from accessing customers regularly. Less profit from their business, in turn, encourages them to pay low wages to workers when suffering financial problems. The financial institutions are beneficiaries of tourism growth because they absorb a high proportion of tourism income from borrowers. Cambodian guesthouse and hotel operators also face big challenges such as flawed infrastructure, lack of running water, the high price of electricity and competition from foreign tour companies.

For local communities, hotel construction and maintenance have provided employment for villagers. However, some barriers, such as low, general educational levels, lack of tourism skills, foreign language knowledge and social networks to obtain job information, have prevented them from accessing highly paid accommodation jobs. As a result, less than 1% of local residents in the three study communes had jobs in the accommodation sector (SRPDP, 2015). For those who found employment, low wages, exploitation and labour law violations by employers often prevented them from earning decent incomes. Employees' protests demanding employers to obey the labour law were unsuccessful, because of less support from provincial authorities or no government

intervention to solve these disputes. Workers were often fired when they made demands or were involved in disputes with employers. This discouraged them to go on strike.

Regarding employment in entertainment and services, those who have foreign language skills can access tour company jobs and become tourist guides. Young female workers employed in the entertainment sector earn low wages, but they get tips from generous customers. Although these female workers who have migrated from poor villages in Siem Reap (or other provinces) are stigmatised, they can often save some money to send back home to support their families, enabling them to escape poverty. Some local people have found work with APSARA and the heritage police, whose responsibility is to protect and manage cultural heritage. Others are employed in temple restoration projects sponsored by foreign governments, and they receive a reasonable wage. However, a low education level and lack of foreign language are the main barriers that prevent local residents from accessing highly paid jobs. Although some of these men and women can access low paid jobs (i.e. cleaners, security and temple guards), their additional earnings supplement household income from other sources such as handicraft and farming.

The tourism boom has activated small and medium scale businesses in the food and beverage sector. This study found that key reasons for restaurant owners' success in business included human capital, networking with tour agents and other operators and cooperation between business partners. In contrast, lack of foreign language, business and hospitality skills are constraints preventing local residents from operating restaurants successfully. Moreover, although a few local people living in Siem Reap town could run restaurants and provided jobs to those from poor family backgrounds, this study found that only a small percentage of local people in study communes and on the periphery of the Angkor complex was employed in this sector. These workers came from other areas or lived in the town.

This study found that farmers face considerable constraints (market access, supply and institutional constraints) preventing them from supplying their produce to the tourism market. For example, small landholdings, poor technical knowledge, lack of financial capital and support from tourism establishments for local products are impediments to the agriculture–tourism linkage in study communes. Imported agricultural products

create economic leakage and reduce tourism potential to alleviate local farmers' poverty. The Cambodian prime minister and senior officials have recognised that tourism does not stimulate local agriculture and that tourism revenue has flowed out of Cambodia due to imported products. However, mechanisms to support local farmers to enable them to gain benefits from tourism growth have not been taken seriously.

Although the significance of the agriculture–tourism linkage has been recognised by the RGC and scholars, nothing has been done to promote this linkage. Collaboration between hotel, restaurant operators and farmer associations is a core element of incorporating local products into tourism. Local government can play a key role in facilitating such linkages by connecting these two sectors. Government assistance to address institutional constraints, such as basic infrastructure development, agricultural know-how, and extension services could help farmers supply particular products to the tourism market. Local farmers need to change their traditional farming practices and adapt to updated methods and new crop varieties to cater to tourist demands. Farmer self-help culture and hotel and restaurant operators' support would have mutual benefits for both parties, leading to alleviating poverty for farmers.

The tourism boom creates a strong demand for handicraft and souvenir products. This trend has motivated private companies, NGOs and local residents to establish handicraft workshops and offer jobs to local artisans. In the communes in this study, local artisans run their own workshops with family members. However, these artisans face big challenges in bringing their products to the tourism market and dealing with production capacity such as product diversification, design, quality, and production techniques. This study suggests that product diversification and design training, combined with promotion and marketing skills could help local artisans make a variety of products to attract tourists and establish channels for selling their products. To compete with the mass of souvenir products imported from neighbouring countries; local artisans need support from government and other stakeholders, such as NGOs, large souvenir shops and tourists, to overcome these obstacles, otherwise, they cannot gain benefits from tourism growth. However, in contrast to local artisans in study communes who face the abovementioned constraints, NGOs and private companies which employ skilful artisans have produced high quality handicraft products and sell directly to customers, enabling them to make a profit from the tourism boom.

There are many different perspectives between outsiders and insiders. Although both parties agree that child labour and exploitation of children needs to be avoided, the emic perspective, especially those whose families are trapped in poverty allows us to perceive that the assistance of their children to earn income through selling souvenirs can help them to escape from poverty. The emic perspective suggests that those whose campaigns to raise awareness of tourists not to buy goods from children have punished poor children and their families, not helping them because their parents cannot afford to support their families or send those children to school without additional income earned by their children.

While writers using the etic perspective value human rights and consider child labour is serious issues, emic perspective scholars focus on family survival and daily consumption of poor households. As mentioned by a few villagers, children's contribution to household economics is needed to keep their families alive and in some instances help them to improve their living standards.

It can be concluded that one of the reasons creating child labour and exploitation of children in poor region and encouraging poor families to do so is the lack of policies. While some developed or western countries have policies to support low income households or poor students, some developing countries including Cambodia have not.

### **13.3 Contribution and significance of this study**

As discussed in the literature (see Chapter 2), many studies on tourism and poverty alleviation have been conducted. A few of these studies have applied the concept of the tourism value chain as a research tool, to explore the interrelationship between tourism and poverty. However, no publications in academic journals, research reports and/or in academic books have examined all components of the tourism value chain, starting from agriculture, transportation, accommodation, leisure activities, food and beverages and handicraft and souvenirs.

The uniqueness of this study is that it has included all components in the tourism value chain. Its aim had been to examine the involvement of local people in each component and explore the opportunities and constraints of these men and women to participate in tourism employment and businesses. The study has examined the interrelationships

between tourism growth and the improvement of local people's livelihoods, as well as the contribution of tourism to poverty reduction at a local level, learning from local perspectives. Significantly, this study has included local voices. These are integral to the central arguments in this study. Opportunities and constraints for local people in tourism and their voices were presented with the purpose of alarming policy makers and tourism stakeholders: to make them reconsider and take action to support local people so they can gain economic benefits from tourism growth. It is hoped that the presentation of local people's perspectives will remind government officials and raise public awareness in Cambodia regarding the potential contribution of tourism to poverty alleviation, living standards and livelihood improvement. The thesis also draws Cambodian policy makers' attention to tourism's role in local economic growth, as well as sharing the benefits of tourism among the local population, to reduce or prevent future economic leakage in this sector.

Although a few earlier studies dealt with the Siem Reap-Angkor region, this study is the first tourism and poverty reduction research in which a qualitative approach was adopted to learn the perceptions, expectations and experiences of local community people, in this region, in relation to tourism development and poverty reduction. Significantly, this study was conducted by a Siem Reap-born scholar who could smoothly access participants willing to express their various views about tourism development in their community. This approach enabled the researchers to immerse themselves in local people's daily lives. Data was collected through observations, informal conversations and interviews, and qualitatively analysed in narrative form to describe and share local people's stories and experiences about their livelihoods and employment in tourism. Local people's experiences and expectations with respect to tourism development and their livelihood improvement were thus presented.

Furthermore, although tourism and poverty studies have proliferated in the past two decades, only a few have been conducted in Southeast Asia (Scott 2011; Suntikul et al. 2009; Truong, 2014). To my knowledge no academic research has been conducted in the Siem Reap-Angkor region about this issue or published in academic journals. This study has enriched the literature on tourism and poverty in Southeast Asian countries, especially Cambodia. Influenced by some scholars (Holden et al. 2011; Muganda et al. 2010) who have allowed local people in Tanzania and Ghana to voice their aspirations

and experiences; this study's intent is to add the voices of Cambodians including their perceptions and stories to tourism literature. Therefore, a significant contribution is the integration of these experiences, perceptions and stories in the context of Cambodia, which has not been informed in any previous research on tourism's contribution to poverty alleviation.

### **13.4 Research limitations and suggestions for further research**

Although this study has made a contribution to tourism and poverty reduction literature in Southeast Asia, its limitations also need to be acknowledged. Due to time and financial constraints, this empirical study was conducted in the confined geographical area of Siem Reap province, especially in the three study communes and downtown. Although these findings are consistent with other studies, they cannot generalise about another tourist sites in Cambodia and other countries. Therefore, the results of this study can only represent the context of the study area. Therefore they do not represent the Siem Reap province, in particular, or Cambodia as a whole.

The methodological limitation of this study relates to its qualitative case study approach in which local people's perspectives, perceptions, experiences and stories were used. The foundation of the analysis and only limited official figures were used to supplement respondents' views. Although the researcher had no difficulty in accessing and interviewing local people, officials and other key informants; some respondents were reluctant to express sensitive issues or release official documents because they believed that in doing so this could affect their positions in the workplace. Therefore, it was sometimes challenging to collect concrete evidence in order to fully understand the contribution of tourism in poverty reduction. Moreover, because poverty is multi-dimensional and tourism is a system, it is impossible to use a single study conducted by a person within the timeframe of a PhD to examine a wide range of issues, and to fully understand the complexity of poverty and tourism's contribution to poverty alleviation. Furthermore, some government statistics are not reliable or helpful, which is why they do not appear in the thesis. Importantly, this study focuses mainly on local people's views, not statistical significance.

However, in order to substantiate the research findings and enrich tourism literature in Cambodia, further detailed studies are needed to investigate the impact of tourism at the micro and macro level, which include:

- the contribution of tourism growth to local household economy;
- the impact of tourism on local livelihoods;
- how tourism revenue reaches the poor population;
- economic leakage in the Cambodian tourism industry;
- the economic impact of tourism in Cambodia; and
- a wider understanding of tourism growth and poverty reduction in Cambodia.

### **13.5 Concluding remarks**

Although tourism growth contributes significantly to Cambodian GDP, a significant economic leakage has occurred due to excessive imported products and the high concentration of tour agents. And notably some businesses in the tourism value chain are in foreign hands. This leakage reduces tourism potential to accelerate local economic growth and alleviate poverty. Most residents living in the Angkor Archaeological Park and on its periphery have no opportunity to gain benefits from this growth, because of their low capacity and some constraints presented in each segment of the tourism value chain. As perceived by local people, a high proportion of tourism revenue is absorbed by companies from tourist originating countries, financial institutions providing loans with high interest rates and Cambodian elites who run profitable tourism and related businesses in Siem Reap. Local residents living in the protected zone and civil servants become the victims of tourism development due to tourism expansion and government policies to conserve cultural heritage site. The exclusion of local residents in the Angkor Archaeological Park from tourism development plans plus decision-making processes for park conservation and management, create conflict between local people and APSARA. Disputes between local residents, the authority and private companies occurred due to economic interests, policy implementation and law enforcement. Most respondents and villagers I talked with perceived they were excluded from tourism benefit sharing because they did not receive direct economic benefits from tourism development.

Based on the commune database compiled by SRPDP (2015), tourism growth in this region over the past two decades has contributed little to the socioeconomics of local people in the three study communes. These people had no access to running water. Health services have not been enhanced and most local communities relied on hospitals operated by charity funds. Villagers' children face big challenges. There is no high school in these communes and most students drop out of school because they lack the means of transport to travel to high school in the city. Lack of foreign language classes and qualified teachers to teach foreign languages in study communes prevent young people from accessing highly paid tourism jobs. As recommended by key informants and participants in focus group discussions, this study suggests that the government should take action to address this issue so that children can achieve their education goal and participate in tourism jobs.

This study concludes that although tourism is one of the key sectors in the Cambodian economy, it makes a very small contribution to poverty alleviation and local people's incomes in the study communes. Critical barriers that prevent the local population, especially the poor, from participating in the tourism value chain, as informed by the local people, are presented in chapter 6-11. Although interventions from government are needed to remove some constraints, local people should have their own commitment or self-determination to address these problems. Moreover, although tourism employment and tourism businesses are sometimes seasonal and unstable, government intervention for jobs, small, related tourism business creation and agriculture-tourism linkage could help local people to earn income from tourism growth and thus enable them to improve household economy and in turn escape poverty. Employment, small business and agriculture development could thus have a positive impact on poverty reduction for local people.

Regarding infrastructure development, although the main roads leading to some main temples in the Angkor complex, and national roads to the airport and a port were frequently maintained, most roads in villages and some streets in the city were in poor condition. Insufficient running water encourages local residents, hotels and other business establishments to extract ground water. Poor drainage systems and lack of treatment plants to purify sewage could potentially pollute water in Tonle Sap Lake and negatively affect its marine ecosystem. A shortage of electricity and its high price puts

more pressure on local people in study communes and motivates tourism establishments and other related production businesses to use their own electric generators.

Regarding poverty and livelihoods, only a small percentage of villagers in the study communes were involved with handicraft production, in services or in jobs in the tourism value chain. As a result, many households could not escape poverty (CMP 2012, 2014) because tourism growth did not impact notably on villagers' livelihoods, production and business activities. A high percentage of poor households in some villages, especially in the Angkor complex, is concrete evidence that tourism growth has not contributed significantly to poverty reduction in study communes.

As noted by UNWTO (2010a), tourism can contribute to poverty reduction if local people can sell or supply their products directly to tourists, gain employment in tourism jobs with reasonable wages, and have the capacity to run tourism enterprises and related businesses. Moreover, although some literature suggests that tourism has become a powerful tool for poverty alleviation through employment, income generation, infrastructure development, and trickle down economic benefits to the poor, this is not the case in these communes. This study found that most villagers have not received economic benefits from tourism growth. Although locals consider tourism growth as a potential contributor to poverty reduction and indicate their desire to participate in tourism employment and businesses, critical constraints preventing their participation include poor foreign language knowledge, lack of business and work experience, insufficient tourism professional skills and financial capital. As noted by Aref (2011, p.347), local people have limited access to “decision-making, a lack of resources, knowledge, skills and education and lack a sense of ownership with regard to tourism”.

In the midst of the tourism boom, local people's livelihoods have not improved. Poor households in the study communes could not access tourism. Only those family members who can access tourism and related jobs with reasonable wages can improve their living standards and escape poverty. Some local residents whose success stories have been presented in this thesis gained economic benefits from tourism growth because they ran tourism businesses in the tourism value chain. Businessmen and those who had good connections with government officials received concessions or won contracts from government to run or manage tourism assets or state property. They are

the real beneficiaries of tourism growth. As a result, tourism growth has widened the income gap of the local population, increased inequality and divided the host community into two groups: rich and poor. Moreover, tourism growth in Siem Reap seems to benefit outsiders (e.g. foreign tour operators, hotel chain operators, and Cambodian elites), but not the local community, especially the poor.

Ultimately, although the contribution of tourism to poverty reduction is difficult to attain, this study suggests the RGC should address economic leakage by adopting policies to reduce imported products and further create effective mechanisms to support local producers. Interventions from government are needed to tackle critical barriers for local people so they can access tourism jobs and run small businesses. Government agencies, practitioners and tourism stakeholders should focus on capacity building of local people to become employed in tourism jobs, have the ability to run tourism businesses and thus gain control over their lives and tourism activities in their villages. This intervention will arguably help local people to gain economic benefits from tourism growth. Several success stories of those involved in tourism value chains indicate that tourism can improve their household economy. Therefore, if local people have the ability to run tourism or related businesses profitably, their living standards can improve. Tourism can also contribute to poverty reduction if people from poor households get tourism jobs with reasonable wages. Both of these pathways out of poverty require appropriate enabling environments.

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# APPENDICES

## Appendix A: Governor's permit to conduct research in the Siem Reap province



**ក្រសួងកសិកម្ម រុក្ខាប្រមាញ់ និង នេសាទ**  
**សាកលវិទ្យាល័យកុម្មុយនិស្តកសិកម្ម**  
*Royal University of Agriculture*  
 លេខ / N° : ១៦៧ លក្ខណៈ / RUA

**ព្រះរាជាណាចក្រកម្ពុជា**  
**ជាតិ សាសនា ព្រះមហាក្សត្រ**

ភ្នំពេញ, ថ្ងៃទី ២០ ខែ កុម្ភៈ ឆ្នាំ ២០១២  
 Phnom Penh.....

**សាកលវិទ្យាធិការ នៃសាកលវិទ្យាល័យកុម្មុយនិស្តកសិកម្ម**  
**សូមគោរពជូន**  
**ឯកឧត្តមអភិបាល នៃគណៈអភិបាលខេត្តសៀមរាប**

**កម្មវត្ថុ :** សំណើសុំអនុញ្ញាតឱ្យលោក ម៉ៅ ណារ៉ា ព្រឹទ្ធបុរសរាជមហាវិទ្យាល័យរៀបចំផែនដីនិងរដ្ឋបាលដីធ្លីចុះធ្វើការសិក្សាស្រាវជ្រាវសរសេរនិក្ខេបបទថ្នាក់បណ្ឌិតនៅក្នុងខេត្តសៀមរាបលើប្រធានបទ តួនាទីទេសចរណ៍ក្នុងការកាត់បន្ថយភាពក្រីក្រ ចាប់ពីខែមីនា ឆ្នាំ ២០១២ ។

សេចក្តីដូចមានចែងក្នុងកម្មវត្ថុខាងលើ ខ្ញុំបាទសូមគោរពជម្រាបជូន **ឯកឧត្តម** មេត្តាជ្រាបថា លោក ម៉ៅ ណារ៉ា ព្រឹទ្ធបុរសរាជមហាវិទ្យាល័យរៀបចំផែនដី និងរដ្ឋបាលដីធ្លីនៃសាកលវិទ្យាល័យកុម្មុយនិស្តកសិកម្ម ជានិស្សិតអាហារូបករណ៍នៅសាកលវិទ្យាល័យ វិចិត្រ ទីក្រុងម៉ែលបន ប្រទេសអូស្ត្រាលី ។ ដើម្បីបញ្ចប់ការសិក្សាថ្នាក់បណ្ឌិតសាកលវិទ្យាល័យនេះតម្រូវឱ្យលោកចុះធ្វើការសិក្សាស្រាវជ្រាវលើប្រធានបទស្តីពី តួនាទីទេសចរណ៍ក្នុងការកាត់បន្ថយភាពក្រីក្រ នៅក្នុងព្រះរាជាណាចក្រកម្ពុជា ជាពិសេសក្នុងទឹកដីរបស់ខេត្តសៀមរាប ។

អាស្រ័យហេតុដូចបានជម្រាបជូន សូម **ឯកឧត្តម** មេត្តាពិនិត្យ និងបើកយល់ទាស់ សូមមេត្តាអនុញ្ញាតឱ្យលោក ម៉ៅ ណារ៉ា បានចុះធ្វើការសិក្សាស្រាវជ្រាវសរសេរនិក្ខេបបទបញ្ចប់ការសិក្សាថ្នាក់បណ្ឌិតដូចមានប្រធានបទខាងលើក្នុងតំបន់នានាក្នុងទឹកដីនៃខេត្តសៀមរាបចាប់ពីខែមីនា ឆ្នាំ២០១២ ដោយក្តីអនុគ្រោះ ។

សូម **ឯកឧត្តម** មេត្តាទទួលនូវសេចក្តីគោរពដ៏ខ្ពង់ខ្ពស់អំពីខ្ញុំបាទ ។ *(Signature)*

**បន្ទូលជូន :**

- មហាវិទ្យាល័យ រៀបចំផែនដីនិងរដ្ឋបាលដីធ្លី
- ដើម្បីជ្រាប
- សាមីខ្លួន
- ដើម្បីអនុវត្ត
- ឯកសារ



*(Signature)*  
**បណ្ឌិត ម៉ៅ ម៉ុនចាន់**

សាកលវិទ្យាល័យកុម្មុយនិស្តកសិកម្ម អាសយដ្ឋាន : ចំការដូង សង្កាត់/ខ័ណ្ឌដង្កោ រាជធានីភ្នំពេញ  
 Royal University of Agriculture (RUA) address : Dangkor District, Phnom Penh  
 E-mail: RUA@camnet.com.kh, P.O. Box 2696

ប្រអប់សំបុត្រលេខ : ២៦៩៦  
 Tel: (023) 219 829 / 219 753, Fax: (855) 23 219 690 / 23 219 753

**Translation of governor's permit to conduct research in the Siem Reap province**

KINGDOM OF CAMBODIA

Nation Religion King

Ministry of Agriculture, Forestry and Fisheries

Royal University of Agriculture

No: 167 RUA

Phnom Penh, 20 February 2012

Rector of the Royal University of Agriculture

To

Governor of Siem Reap Province

Subject: Request of Mr. Mao Nara, Vice-Dean of the Faculty of Land Management and Land Administration to conduct PhD research entitled "*The Role of Tourism in Poverty Reduction: A Case Study of Siem Reap-Angkor Region, Cambodia*", in Siem Reap province from March 2012.

As noted in the Subject above, I would like to inform you that Mr. Mao Nara, Vice-Dean of the Faculty of Land Management and Land Administration, is a Ph.D candidate at The Victoria University in Melbourne Australia. To complete his study, the university requires him to conduct thesis research on the topic "*The Role of Tourism in Poverty Reduction: A Case Study of Siem Reap-Angkor Region, Cambodia*" in the Kingdom of Cambodia, particularly in Siem Reap province.

In this regard, I would like to sincerely request your permission to allow Mr. Mao Nara to conduct his PhD research under the aforementioned title at various parts of the territory of Siem Reap from March 2012.

Approved by Siem Reap governor

Yours Sincerely,

25 February 2012

Dr Ngo Bunthan

Copy to:

- Faculty of Land Management and Land Administration

"For information"

- Mr. Mao Nara

"For action"

- Documentation

## **Appendix B: Information to research participants**

### **Appendix B-1**

#### **INFORMATION TO KEY INFORMANTS INVOLVED IN RESEARCH**

##### **You are invited to participate**

You are invited to participate in a research project entitled *The Role of Tourism in Poverty Reduction*. This project is being conducted by a student researcher Nara Mao as part of a PhD study at Victoria University under the supervision of Professor Terry De Lacy, Professor Peter Sheehan, Dr Helena Grunfeld, College of Business, Victoria University and Professor David Chandler, Monash Asia Institute, Monash University.

##### **Project explanation**

The aim of this research project is to understand whether and how tourism can contribute to poverty alleviation. It will endeavor to understand the perceptions and attitudes of local residents and stakeholders toward tourism. The study will examine the current tourism situation and the livelihoods, socioeconomics and poverty of local communities. It will also investigate opportunities and constraints of local communities to gain economic benefits from the tourism industry. Its significance is in line with the Cambodian government's objectives to develop tourism with the aim of improving local livelihoods as well as alleviating poverty of local communities.

##### **What will I be asked to do?**

You, as one of key informants or tourism stakeholders, are invited to participate in this research process by answering the questions asked by a researcher. You will be asked to voice your opinion, perception and express both pessimistic or optimistic impression related to the contribution of tourism to poverty reduction and solutions that can be used to alleviate poverty. The interview will take approximately 30 to 50 minutes.

##### **What will I gain from participating?**

Your support is greatly appreciated and this contribution is useful because it can produce great benefit to this research project. The research findings are valuable because they will help development workers and planners design appropriate projects to improve standards of living and alleviate poverty in local community. It will be of direct benefit to local community living in Siem Reap –Angkor region as well as Cambodia as one of its outcomes will be to propose strategies for how tourism can be utilised for poverty reduction.

##### **How will the information I give be used?**

The information will be used to write a doctoral thesis. It will also be used to develop academic publication, but the participants will not be named. Moreover, data and information collected from all research participants will be kept confidentially in safe place and they will be accessed by a student researcher and supervisors.

### **What are the potential risks of participating in this project?**

---

There are no expected risks in participation in this research project. Because your participation in this interview is voluntary, you have the right to withdraw from this research process at any time, remove or change the information you have provided during or after the interview if you want to do so.

### **How will this project be conducted?**

---

This project will apply a case study approach, using qualitative research methods. Observations, interviews, focus group discussions and informal conversations will be used in data collection.

### **Who is conducting the study?**

---

The study is being conducted through College of Business, Victoria University, Melbourne, Australia.

Chief Investigator: Professor Terry De Lacy.

Phone: +61429662020. Email: [tdelacy@gmail.com](mailto:tdelacy@gmail.com)

Associate Investigators:

Professor Peter Sheehan.

Phone: +61 3 9919 1341 Email: [peter.sheehan@vu.edu.au](mailto:peter.sheehan@vu.edu.au)

Professor David Chandler.

Phone: +61398200590. Email: [dpchandler@mac.com](mailto:dpchandler@mac.com)

Dr Helena Grunfeld.

Phone: +61404857806. Email: [helena.grunfeld@live.vu.edu.au](mailto:helena.grunfeld@live.vu.edu.au)

Student Researcher: Nara Mao.

Phone: +61385028070. Email: [naramao@yahoo.com](mailto:naramao@yahoo.com)

Any queries about your participation in this project may be directed to the Chief Investigator listed above. If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (+61) 39919 4148.

## Appendix B-2

### INFORMATION TO INTEREST RESEARCH PARTICIPANTS INVOLVED IN RESEARCH

#### **You are invited to participate**

---

You are invited to participate in a research project entitled *The Role of Tourism in Poverty Reduction*. This project is being conducted by a student researcher Nara Mao as part of a PhD study at Victoria University under the supervision of Professor Terry De Lacy, Professor Peter Sheehan, Dr Helena Grunfeld, College of Business, Victoria University and Professor David Chandler, Monash Asia Institute, Monash University.

#### **Project explanation**

---

The aim of this research project is to understand whether and how tourism can contribute to poverty alleviation. It will endeavor to understand the perceptions and attitudes of local residents and stakeholders toward tourism. The study will examine the current tourism situation and the livelihoods, socioeconomics and poverty of local communities. It will also investigate opportunities and constraints of local communities to gain economic benefits from the tourism industry. Its significance is in line with the Cambodian government's objectives to develop tourism with the aim of improving local livelihoods as well as alleviating poverty of local communities.

#### **What will I be asked to do?**

---

You, as an interest research participant, are invited to participate in this research process by participating in group discussion facilitated by a research. As a participant, you will be invited to voice your opinion and perceptions related to tourism to poverty reduction and solutions that can be used to alleviate poverty. The discussion will take approximately 50 to 90 minutes.

#### **What will I gain from participating?**

---

Your support is greatly appreciated and this contribution is useful because it can produce great benefit to this research project. The research findings are valuable because they will help development workers and planners design appropriate projects to improve standards of living and alleviate poverty in your community. It will be of direct benefit to local community living in Siem Reap –Angkor region as well as Cambodia as one of its outcomes will be to propose strategies for how tourism can be utilised for poverty reduction.

#### **How will the information I give be used?**

---

The information will be used to write a doctoral thesis. It will also be used to develop academic publication, but the participants will not be named. Moreover, data and information collected from all research participants will be kept confidentially in safe place and they will be accessed by a student researcher and supervisors.

### **What are the potential risks of participating in this project?**

There are no expected risks in participation in this research project. Because your participation in this focus group discussion is voluntary, you have the right to withdraw from this research process at any time, remove or change the information you have provided during or after the interview if you want to do so.

### **How will this project be conducted?**

This project will apply a case study approach, using qualitative research methods. Observations, interviews, focus group discussions and informal conversations will be used in data collection.

### **Who is conducting the study?**

The study is being conducted through College of Business, Victoria University, Melbourne, Australia.

Chief Investigator: Professor Terry De Lacy.

Phone: +61429662020. Email: [tdelacy@gmail.com](mailto:tdelacy@gmail.com)

Associate Investigators:

Professor Peter Sheehan.

Phone: +61 3 9919 1341 Email: [peter.sheehan@vu.edu.au](mailto:peter.sheehan@vu.edu.au)

Professor David Chandler.

Phone: +61398200590. Email: [dpchandler@mac.com](mailto:dpchandler@mac.com)

Dr Helena Grunfeld.

Phone: +61404857806. Email: [helena.grunfeld@live.vu.edu.au](mailto:helena.grunfeld@live.vu.edu.au)

Student Researcher: Nara Mao.

Phone: +61385028070. Email: [naramao@yahoo.com](mailto:naramao@yahoo.com)

Any queries about your participation in this project may be directed to the Chief Investigator listed above. If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (+61) 39919 4148.

## Appendix B-3

### INFORMATION TO LOCALS AND MIGRANTS INVOLVED IN RESEARCH

#### **You are invited to participate**

---

You are invited to participate in a research project entitled *The Role of Tourism in Poverty Reduction*. This project is being conducted by a student researcher Nara Mao as part of a PhD study at Victoria University under the supervision of Professor Terry De Lacy, Professor Peter Sheehan, Dr Helena Grunfeld, College of Business, Victoria University and Professor David Chandler, Monash Asia Institute, Monash University.

#### **Project explanation**

---

The aim of this research project is to understand whether and how tourism can contribute to poverty alleviation. It will endeavor to understand the perceptions and attitudes of local residents and stakeholders toward tourism. The study will examine the current tourism situation and the livelihoods, socioeconomics and poverty of local communities. It will also investigate opportunities and constraints of local communities to gain economic benefits from the tourism industry. Its significance is in line with the Cambodian government's objectives to develop tourism with the aim of improving local livelihoods as well as alleviating poverty of local communities.

#### **What will I be asked to do?**

---

You, as one of participants, are invited to participate in this research process by answering the questions asked by a researcher. You will be asked to share your story, experiences, voice your opinion, perception and express both pessimistic or optimistic impression related to the contribution of tourism to poverty reduction and solutions that can be used to alleviate poverty. The interview will take approximately 30 to 50 minutes.

#### **What will I gain from participating?**

---

Your support is greatly appreciated and this contribution is useful because it can produce great benefit to this research project. The research findings are valuable because they will help development workers and planners design appropriate projects to improve standards of living and alleviate poverty in local community. It will be of direct benefit to local community living in Siem Reap –Angkor region as well as Cambodia as one of its outcomes will be to propose strategies for how tourism can be utilised for poverty reduction.

#### **How will the information I give be used?**

---

The information will be used to write a doctoral thesis. It will also be used to develop academic publication, but the participants will not be named. Moreover, data and information collected from all research participants will be kept confidentially in safe place and they will be accessed by a student researcher and supervisors.

### **What are the potential risks of participating in this project?**

---

There are no expected risks in participation in this research project. Because your participation in this interview is voluntary, you have the right to withdraw from this research process at any time, remove or change the information you have provided during or after the interview if you want to do so.

### **How will this project be conducted?**

---

This project will apply a case study approach, using qualitative research methods. Observations, interviews, focus group discussions and informal conversations will be used in data collection.

### **Who is conducting the study?**

---

The study is being conducted through College of Business, Victoria University, Melbourne, Australia.

Chief Investigator: Professor Terry De Lacy.

Phone: +61429662020. Email: [tdelacy@gmail.com](mailto:tdelacy@gmail.com)

Associate Investigators:

Professor Peter Sheehan.

Phone: +61 3 9919 1341 Email: [peter.sheehan@vu.edu.au](mailto:peter.sheehan@vu.edu.au)

Professor David Chandler.

Phone: +61398200590. Email: [dpchandler@mac.com](mailto:dpchandler@mac.com)

Dr Helena Grunfeld.

Phone: +61404857806. Email: [helena.grunfeld@live.vu.edu.au](mailto:helena.grunfeld@live.vu.edu.au)

Student Researcher: Nara Mao.

Phone: +61385028070. Email: [naramao@yahoo.com](mailto:naramao@yahoo.com)

Any queries about your participation in this project may be directed to the Chief Investigator listed above. If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (+61) 39919 4148.

## Appendix C: Consent form

### Appendix C-1

#### CONSENT FORM FOR KEY INFORMANTS INVOLVED IN RESEARCH

##### INFORMATION TO PARTICIPANTS:

We would like to invite you to be a part of a study conducted by the researcher, Nara Mao who is a student in the College of Business at Victoria University, Australia as a part of a Ph.D. study. The aim of this research project is to understand whether and how tourism can contribute to poverty alleviation. Data collection in this research project based on observations, semi-structured interviews with key informants, facilitating group discussions with interest research participations, in-depth interviews and informal conversations with locals and migrants involving in tourism value chains and other tourism related employment. There are no expected risks in participation in this research project.

##### CERTIFICATION BY SUBJECT

I, ..... (please write your name), of Siem Reap-Angkor region, Siem Reap province, Cambodia

certify that I am at least 18 years old\* and that I am voluntarily giving my consent to participate in the study: **The Role of Tourism in Poverty Reduction** being conducted by Professor Terry De Lacy, College of Business, Victoria University, Melbourne, Australia.

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by: Nara Mao and that I freely consent to participation involving the below mentioned procedures:

- Semi-structured interview

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may be directed to the researcher

Professor: Terry De Lacy. Phone: +61429662020

If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (03) 9919 4148.

## Appendix C-2

### CONSENT FORM FOR INTEREST RESEARCH PARTICIPANTS INVOLVED IN RESEARCH

#### INFORMATION TO PARTICIPANTS:

We would like to invite you to be a part of a study conducted by the researcher, Nara Mao who is a student in the College of Business at Victoria University, Australia as a part of a Ph.D. study. The aim of this research project is to understand whether and how tourism can contribute to poverty alleviation. Data collection in this research project based on observations, semi-structured interviews with key informants, facilitating group discussions with interest research participations, in-depth interviews and informal conversations with locals and migrants involving in tourism value chains and other tourism related employment . There are no expected risks in participation in this research project.

#### CERTIFICATION BY SUBJECT

I, ..... (please write your name), of Siem Reap-Angkor region, Siem Reap province, Cambodia

certify that I am at least 18 years old\* and that I am voluntarily giving my consent to participate in the study: **The Role of Tourism in Poverty Reduction** being conducted by Professor Terry De Lacy, College of Business, Victoria University, Melbourne, Australia.

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by: Nara Mao and that I freely consent to participation involving the below mentioned procedures:

- Focus group discussion

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may be directed to the researcher

Professor: Terry De Lacy. Phone: +61429662020

If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (03) 9919 4148.

## Appendix C-3

### CONSENT FORM FOR INTEREST RESEARCH PARTICIPANTS INVOLVED IN RESEARCH

#### INFORMATION TO PARTICIPANTS:

We would like to invite you to be a part of a study conducted by the researcher, Nara Mao who is a student in the College of Business at Victoria University, Australia as a part of a Ph.D. study. The aim of this research project is to understand whether and how tourism can contribute to poverty alleviation. Data collection in this research project based on observations, semi-structured interviews with key informants, facilitating group discussions with interest research participations, in-depth interviews and informal conversations with locals and migrants involving in tourism value chains and other tourism related employment . There are no expected risks in participation in this research project.

#### CERTIFICATION BY SUBJECT

I, ..... (please write your name), of Siem Reap-Angkor region, Siem Reap province, Cambodia

certify that I am at least 18 years old\* and that I am voluntarily giving my consent to participate in the study: **The Role of Tourism in Poverty Reduction** being conducted by Professor Terry De Lacy, College of Business, Victoria University, Melbourne, Australia.

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by: Nara Mao and that I freely consent to participation involving the below mentioned procedures:

- In-depth interviews

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may be directed to the researcher

Professor: Terry De Lacy. Phone: +61429662020

If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (03) 9919 4148.

## **Appendix D: Questionnaire**

### **Appendix D-1**

#### **QUESTIONNAIRE FOR KEY INFORMANTS**

1. What is your perception about Cambodian tourism development and tourism growth in recent years?

2. What is your perception about tourism development in the Siem Reap-Angkor region?

3. In your opinion, who have been the main beneficiaries of tourism growth?

4. In your opinion, what are main constraints and potential opportunities for the local community to:

Be employed in the tourism industry?

Supply/sell products or provide services directly to tourists /tourism enterprises?  
Create tourism businesses or tourism related businesses?

Run and manage tourism businesses or tourism related businesses?

Produce or supply agricultural produce to the tourism market?

Participate in tourism value chains?

Get economic benefits from this industry?

6. Because of the rapid growth of tourism in the Siem Reap-Angkor region, in your opinion, what are the impacts of tourism on local community?

Employment, livelihoods, poverty reduction and household economy

Infrastructure, socioeconomics, natural resources and the environment

7. What is your perception about poverty and poverty reduction in this region?

8. What are the critical barriers preventing local people from escaping poverty?

9. In your opinion, do you consider tourism a key tool to alleviate poverty of local people?

10. How can we use tourism to alleviate poverty of communities living in this region?

11. What are the appropriate solutions or actions that tourism stakeholders, local authorities and the Cambodian government should do to support the local community so that they can gain economic benefits from the tourism and to alleviate poverty?

12. If you have any recommendations to improve the locals' livelihoods and to reduce poverty in this region, I would like to hear from you.

## **Appendix D-2**

### **QUESTIONNAIRE FOR LOCAL RESIDENTS AND MIGRANTS INVOLVED IN TOURISM VALUE CHAINS AND OTHER RELATED EMPLOYMENT**

1. What are your perceptions about the tourism development and poverty situation in this region?
2. Would you mind sharing stories and experiences with me about your livelihoods and employment, please?
- 3 Has the rapid growth of tourism changed your livelihoods? How have you adapted to this trend?
4. Has tourism growth contributed to:
  - Your family's livelihood improvement and diversification?
  - Your family's living standard improvement?
  - Poverty alleviation?
5. In your opinion, what are constraints for your family members or other villagers to:
  - Be employed in the tourism industry?
  - Sell products directly to tourists?
  - Create tourism businesses or tourism related businesses?
  - Participate in tourism value chains?
  - Get economic benefits from this industry?
6. If you have any views, experiences and other stories to share with me, I would like to hear from you.

## **Appendix D-3**

### **FOCUS GROUP DISCUSSION QUESTIONNAIRE FOR INTERESTED RESEARCH PARTICIPANTS**

1. What are your perceptions about the tourism and poverty situation in the Siem Reap-Angkor region?

2. Tourism development in this region has caused both positive and negative impacts on your local community and villages, in your opinion, what are they?

Socioeconomics, livelihoods and poverty reduction

Infrastructure, environment, inequality, corruption

4. In your opinion, what are main constraints and potential opportunities for the local community to:

Be employed in the tourism industry?

Supply/sell products or provide services directly to tourists /tourism enterprises?

Create tourism businesses or tourism related businesses?

Run and manage tourism businesses or tourism related businesses?

Produce or supply agricultural produce to the tourism market?

Participate in tourism value chains?

Get economic benefits from this industry?

5. What are the necessary development and training programs, interventions and support that your community really need in order to gain economic benefits and alleviate poverty?

## Appendix E: Dispute between hoteliers and workers in Siem Reap

### Box 8.5: A lingering dispute in hotel C

Workers at hotel C accused the hotel owners of discrimination for having fired them from work after forming a union. The owner wrote in an email “for me, the workers’ union is an organisation that is full of pressure... I do not want to see any arguments in my hotel”. The deputy director of the SRPDLVT claimed that workers started a protest to demand reinstatement of sacked employees. An official of the SRPDLVT said the hotel owner had agreed to reinstate fired workers, but did not follow up that promise. On August, 08, 2011, the SRPDLVT filed a complaint with the AC against the owner, which had sacked most of the hotel workers. A country director of ACILS said that the owners had no right to fire workers who joined the union.

One of the owners claimed that the workers were sacked because of an attempt to poison her and other unrelated misconduct, not for joining the union. Six union representatives were charged for death threats, illegal demonstrations, incitement to perform criminal acts and destruction of property. The owner claimed that her current workers did not want to work with sacked workers who joined the union because they were scared of them. The owner posted a banner in front of the hotel informing sacked workers that they would not be reinstated. However, in a non-binding ruling of the AC, dated August 16, the hotel owners were ordered to reinstate the employees and pay their wages. On 6 October, a deputy governor of Siem Reap claimed that the hotel owners were in breach by refusing to reinstate 67 sacked workers, and ignoring orders from the governor’s office to abide by the AC’s decision.

The same day, the Siem Reap Municipal Court ordered the hotel owners to reinstate sacked employees, stating that the employer had to reinstate sacked workers within three months. Although a second court order was issued on November 15, the employer still refused to reinstate the workers. A country director of ACILS said “it’s not for the government to ask the hotel’s permission to enforce the law, it’s up to the government to tell the hotel to obey the law... no hotel that violates the rule of law so flagrantly, regardless of what connections they have, should be allowed to operate in Cambodia”.

In response to this refusal, a new protest took place and it was broken up by police, outside the hotel where workers requested the hotel owners respect a court decision. The police arrested two unionists for disobeying a court order forbidding protests outside the hotel. A union leader pointed to the hypocrisy of selective enforcement of court orders and pointed the finger at the

mayor of Siem Reap city of ordering police officers to intimidate workers at their homes while the Siem Reap provincial court was still ordering the owners to reinstate them. A female sacked worker who refused compensation as a substitute for being reinstated said that a policeman came to her house, trying to persuade her to pick up money from the Siem Reap town hall and stop asking for her job back. The union leader said that the sacked employees were distressed because most of them had not been able to get jobs at other hotels in the Siem Reap. Another sacked employee accused the owner of emailing photos of the sacked workers to general managers of other hotels and warned against employing them.

Following further unsuccessful protests, a union leader said that nearly one-third of sacked workers had accepted compensation packages, succumbing to financial pressure after the Siem Reap court mysteriously reversed its reinstatement order to what the hotel owners had requested. A country director of ACILS said the sacked workers who held out against the compensation package were “dropping like flies” because they had no compensation, social security and source of employment. Moreover, the employer filed a complaint against the sacked workers, accusing them of destroying their property during the protests. A sacked worker claimed that protesters did not destroy the owners’ property, “not even a flower”; and they did not understand why they were sued for intentional damage. On February 21, 2012, those workers returned to court, requesting their right to protest against the hotel employer. A lawyer, representing the workers, said in court that the reversed court’s decision had blocked workers’ right to protest. He demanded the hotel employer to reinstate the workers in accordance with the AC’s decision. The AC overturned the court decision preventing the sacked workers from demonstrating. A lawyer said “we agreed to accept compensation then urged the hotel’s owner to withdraw their complaints of incitement, damaging hotel property and forging documents” but he added that the hotel owners had refused this request. A sacked worker claimed that “many sacked workers accepted unfair compensation out of desperation”. A country director of ACILS said that “the AC and courts have already ruled in favour of the unions...the hotel, without any repercussions, has ignored all this. . . they must feel secure enough with their political connections. It’s a mockery of the labour law”. On March 27, 2013 the sacked workers resumed their protest.

Source: *The Phnom Penh Post*, 2011, 2012 and *Radio Free Asia*, 2013